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NEAR EAST & SOUTH ASIA

CONTENTS

NEAR EAST

PALESTINIAN AFFAIRS

Mahmud Darwish Interviewed on Dialogue With Israeli Intellectuals
('Abd-al-Bari 'Atwan; AL-MAJALLAH, 15-21 Jul 87) 1

ISRAEL

Peres Opposes, Sharir Favors Extradition
(Ilan Bekher; MA'ARIV, 27 May 87) 14

Municipal Strike Force Considered for Tel Aviv
(Moshe Gorali; MA'ARIV, 5 Jun 87) 15

Air Force Bombs Residential Street
(David Zohar, Yosef Walter; MA'ARIV, 18 Jun 87) 18

IAI Developing New Spy Plane
(Dan Arqin; MA'ARIV, 1 Jul 87) 20

Thousands Have Left Galilee Settlements Since Lebanon War
(Gad Li'or; YEDI'OT AHARONOT, 23 Jun 87) 21

'Shmitta' To Cost \$50 Million
(HADASHOT, 2 Jun 87) 23

International Money Laundering Scam Discovered
(Moshe Ronen; YEDI'OT AHARONOT, 29 May 87) 24

Main Points of Bank of Israel Report Oulined (Yitzhaq Arvit; HADASHOT, 1 Jun 87)	25
LEBANON	
Fadlallah Comments on 'Stagnation,' American-Syrian Rapprochement (Nadim Abou-Ghannam; MONDAY MORNING, 13-19 Jul 87)	27
Interior Minister Comments on Internal Situation ('Abdallah al-Rasi Interview; AL-HAWADITH, 17 Jul 87)	30
Local Islamic Groups Reflect Franco-Iranian Dispute (MONDAY MORNING, 27 Jul-2 Aug 87)	34
Iranian Fundamentalism Advances Steadily (Diana Abdallah; MONDAY MORNING, 27 Jul-2 Aug 87)	36
Economic Crisis Breeds Despair, Steps Up Protest (MONDAY MORNING, 27 Jul-2 Aug 87)	39
MOROCCO	
Harvest Estimates for Cereal Crops Reviewed (LA VIE ECONOMIQUE, 29 May, 19 Jun 87)	41
Previous Years Comparisons	41
Factor of Rainfall	44
SUDAN	
TIMES Examines Causes of Strife in Darfur, Bahr Al-Dhazal (Ushari Ahmad Mahmud, Suleyman Ali Baldo; SUDAN TIMES, 20, 21 Jul 87)	47
Commerce Minister Describes Trade Policies, Circumstances (Ibrahim Hasan 'Abd-al-Jalil Interview; AL-ASHIQQA', 14 Jul 87)	54
Review of Public Sector Industry Problems (Murtada al-Hasan; AL-DUSTUR, 13 Jul 87)	62
SYRIA	
Al-'Asi River Pollution (Bishar 'Attal Interview; AL-THAWRAH, 3 Jul 87)	66
Water System in Hims in Jeopardy ('Abd-al-Rahman Faris Interview; AL-THAWRAH, 3 Jul 87)	74
SOUTH ASIA	
INDIA	
Further Questions From Jethmalani to Gandhi (Various sources, various dates)	77

More on Italian Connection	77
Lack of Response Questioned	78
On Defense Deals	79
Rajiv's 'Cronies'	80
More on Bachchans	81
Further on Bachchans	82
Questions on Westland Deal	83
On Airbus Deal	84
Links With Yunus	85
Questions on Swiss Accounts	86
On Bachchan Resignation	87
Jethmalani Press Conference	88
Counsel in Gandhi Murder Case	88
 Zail Singh Meets Reporters on Election Eve (THE TIMES OF INDIA, 15 Jul 87)	90
 Papers Report Tourism Minister's Resignation (THE TIMES OF INDIA, 15 Jul 87; THE HINDU, 16 Jul 87)	91
Letter to Gandhi	91
Implications to Congress-I	92
 Right Wing To Campaign Against Soviets, Communists (Dileep Padgaonkar; THE TIMES OF INDIA, 15 Jul 87)	94
 Gandhi Expels Suspected Dissidents From Congress-I (THE HINDU, 16, 18 Jul 87)	97
Nehru, Shukla, Khan	97
Internal Threats	97
Rajiv's Decision	98
 Papers Report Outcome of Presidential Election (PATRIOT, 17 Jul 87; THE TIMES OF INDIA, 17 Jul 87)	100
Voting by State	100
Venkataraman's 'Massive Victory'	102
 Former Minister Resigns From Party, Parliament (THE TIMES OF INDIA, 17 Jul 87)	104
 IRAN	
Soviets Reportedly in Favor of Ending Syrian-Iraqi Conflict (London KEYHAN, 20 Jul 87)	106
Security Council Resolution's Shortcomings Discussed (London KEYHAN, 30 Jul 87)	108
IRI Makes Trade Adjustments With Turkey (London KEYHAN, 30 Jul 87)	110

Meat Import Stopped	110
Oil Export Increased	111
Government Silent Regarding IRI Foreign Investments (London KEYHAN, 30 Jul 87)	112
Argentina Arms Sales Circumstances Detailed (London KEYHAN, 30 Jul 87)	114
Briefs	
University Applicants Dispatched to Gulf	116
Investment in Productive Units	116
Non-Oil Exports	116

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MAHMUD DARWISH INTERVIEWED ON DIALOGUE WITH ISRAELI INTELLECTUALS

London AL-MAJALLAH in Arabic 15-21 Jul 87 pp 17-21

[Interview with Palestinian poet, Mahmud Darwish by 'Abd-al-Bari 'Atwan: "In an Interview with AL-MAJALLAH Palestinian Poet Mahmud Darwish Says, 'Those Who Are Thinking about Assassinating Me Should Be in No Hurry To Do So; I Am not Sure Whether It Was Right or Wrong To Grant an Interview to an Israeli Newspaper; The Usefulness of a Dialogue with the Israelis Depends on Stepping up the Resistance';" in Paris; date of interview not specified]

[Text] The interview which the Palestinian Arab poet, Mahmud Darwish, granted the Israeli newspaper, YEDI'OT AHARONOT, stirred up much controversy in Arab political and cultural circles. Mr Darwish had agreed on the terms under which he would engage in a dialogue with Israeli intellectuals. Some critics charged that he was "a new al-Sadat," making plans for a "literary Camp David." Others saw him as a responsible intellectual and a man of letters working intelligently to penetrate the Israeli consciousness and send the enemies, even before friends, a civilized message about the etiquette of dialogue.

We interviewed Mahmud Darwish in his apartment overlooking a quiet square in Paris. He was alone, and he apologized for delaying the interview for an hour after mid day. He had been asleep. Like many other artists and pursuers of the arts and crafts, he pay prefer the poetic character and tranquillity of the night hours to the noise and clamor of the day because the night gives him the opportunity to be contemplative and creative.

The living room was simple and dignified. There was a brass tray table in the middle of the room, and there were few sea shells on it. In another corner of the room there was a small table that was surrounded by four chairs. Simple paintings using words to reflect various forms of the resistance adorned the walls. Most of them seemed to be the work of novice artists who were still starting their artistic careers. Quiet colors and simple lines were their common characteristics.

After exchanging greetings and traditional pleasantries we started talking with Mahmud Darwish, the poet/minister. Naturally, his interview with the Israeli newspaper was the principal topic of conversation. When he noticed that my questions were being phrased rather timidly and diplomatically, he said, "My strength lies in my ability to accept challenges. Ask any questions you wish to

ask, and don't leave anything out. I am willing to answer all charges." Mr Darwish got what he had asked for.

The text of the face to face interview follows.

[Question] The fact that you were chosen member of the PLO Executive Committee was one of the most outstanding surprises of the recent PNC session which was held in Algeria. Did you know in advance that you would be chosen for such a position?

[Answer] I had absolutely no knowledge that I would be chosen for this committee. How I would respond to being selected was a very critical matter. On the one hand, that appointment was a national gesture to honor the cultural aspect of our national life, and all I had to do was comply in a responsible fashion. From a personal standpoint, on the other hand, that appointment added burdens to my literary work and created the probability of causing confusion, and that is one thing I did not want. Mixing the cultural and political aspects of Palestinian life to serve the national goal during the stage of national liberation would not be too difficult, even though I would have preferred that my literary work not have an official political character. Although I was chosen to serve on the Executive Committee, and although I gratefully accept this national mission, I am going out of my way to declare always that my literary work should not be approached from the standpoint of my official title. While, on the one hand, I am making myself available to serve the national cause, I am, on the other hand, trying hard to develop the creative aspect of my national action. That is why I would not accept a PLO portfolio, and I'm quite content to serve as chairman of the Supreme Council for Culture, the Heritage and Literature.

[Question] It has been said that you had tried to turn down that position. Why were you reluctant to accept it?

[Answer] I had tried earlier to stop my nomination when I found out about it, but I was elected when I was not at the council, and then it was announced that I had been elected. I could never, therefore, allow myself to be the cause of even a short-lived national difficulty when people were celebrating the national unity of Palestinians. That is why I accepted the nomination. I did not want to strike a note of discord in the joy the Palestinian people were experiencing about national unity.

[Question] Don't you believe that having such an official position will somehow affect the poetry you write? Do you think such an official position may place restrictions on your freedom of expression and your critical remarks?

[Answer] I am acutely aware of that point, but I have been creating marginal notes and making distinctions between the nature of literary activity and that of political activity throughout my literary career and my personal life, and I have become accustomed to that. What might happen and would be hard to fight is how people might view my political activity. I do not fear the personal restrictions which that official position would impose on my literary work. What I do fear, however, is the fact that people may not be able to see those margins

I created and those distinctions I made. The mistake then would lie in the fact that people will look at my literary work from a political perspective, and that is what I do not want.

"They Did It to Me!"

[Question] In a political and literary interview with a writer who writes for the Israeli newspaper, YEDI'OT AHARONOT, you said that such an appointment ended your career as a poet. Was that exactly what you meant?

[Answer] The translation of what I said was inaccurate. I used a Hebrew expression which meant, "They did it to me." What I meant by that was that I had not participated in making that decision. However, I have no right to go on complaining about this burden. Some people would see that as being somewhat coy, and that is one thing I am not guilty of. But since you brought this up, let me say that I would have liked not having an official capacity since that official position will add no new activity to Palestinian action. I had no official position, but I have been working for Palestinian national action. I feel quite constrained in this difficult situation, but I am very grateful. I describe this appointment by saying that it is "an honorary penalty."

[Question] Let's go back to your interview with this Israeli newspaper. That interview stirred up quite a lot of controversy both in Arab and Israeli circles. A few of your critics said that granting an interview to an Israeli newspaper was wrong in principle. At the same time, others regarded it as some kind of penetration of the Israeli press by a veteran of that press establishment who knows its ins and outs. What do you think?

[Answer] Quite frankly I am not sure whether granting an Israeli newspaper an interview was right or wrong. I will, however, defend all the ideas that were mentioned in that interview. I do have the ability and the courage to say that I am not sure whether the principle of giving an interview to an Israeli newspaper was right or wrong. When I was in Haifa before I was appointed to the Executive Committee, one of my old friends expressed the wish that an Israeli newspaper interview a Palestinian. I used to avoid responding to such a suggestion, not because I objected in principle to addressing Israeli public opinion, but because I did not wish to become engaged in inconsequential discussions with Arabs whose mental attitude may make it difficult for them to have a good understanding of the implications of why a dialogue with Israeli public opinion was necessary. I dragged my feet for many months, unwilling to agree to an interview with the Israeli newspaper. But my interpretation of the emotional and intellectual climate in Israel made me think that there was a slight possibility for penetrating the Israeli consciousness which is facing a crisis regarding developments in the occupied areas. That is why I agreed to address the Israeli public. I was elected to the Executive Committee after that. Thus, I was not the one who was put on the spot; it was the Israeli journalist who was. Israeli law prohibits contact with any Palestinian figure. It was the Israeli journalist, not I, who took the risk because the PLO's laws allow me to talk to and meet with Israelis. Israeli law, however, prohibits Israelis from meeting with Palestinians.

It was the Israeli journalist, not I, who took the risk. PNC resolutions call for dialogue with Israeli democratic and progressive forces which recognize the rights of the Palestinian people. That is why I broke no laws; it was the Israelis who broke Israeli laws. That is why the Israeli journalist contacted me and told me that he had informed his editor-in-chief that interviewing me "could expose me"--that is, the journalist--"to the danger of being taken to court. But the editor-in-chief told the journalist that the newspaper would defend him. Now, the reasons that encourage us to go ahead with this interview are better from a journalistic standpoint. That is why I agreed to go ahead with this interview which, to me, is one way the Palestinian media can penetrate the Israeli ghetto.

Essential but not Useful

[Question] Why did you call for a dialogue between Palestinian intellectuals and their Israeli counterparts? Does your call for such a dialogue stem from a personal conviction that it would be useful, or is it an attempt to implement official policy?

[Answer] It may be essential but not useful for me to explain that my so-called invitation to conduct a dialogue is an inaccurate term to use in this context. It was an initiative that was made to respond to a question posed by the journalist who had asked me if I would be willing to meet with Israeli writers. I told him there was nothing to prevent me from meeting with any Israeli author or journalist provided he recognized the following: First, he had to recognize the existence of the Palestinian people. Second, he had to recognize the Palestinian people's right to determine their own destiny and establish their independent state on their national soil. Third, he had to recognize that the Palestinian people are represented by the PLO. I said, "If these conditions are met, I would welcome any meeting with any Israeli writer or journalist." That is why there was such clamor in Israel, not in the Arab world; it was because of those conditions. It was that invitation which caused confusion among the Israelis. And it is the Israelis, not the Arabs, who should be confused because winning support for the Arab cause in Israeli society is our gain; it is not a loss. That is why I was perplexed by the campaign which a few narrow-minded Arab writers launched against me. They saw a concession in what I said, but that is not what I see in what I said. It was the Israelis who made concessions. The fact that few Israelis, especially writers who are considered an elite group that shapes and influences public consciousness, would recognize the Palestinian people and their rights is our gain. Anything that brings us closer to recognition of the Palestinian people's right to establish their own state is our gain. It is not an attack on either the Arab cause or the Palestinian cause.

[Question] But we would be talking from a position of weakness, wouldn't we?

[Answer] I would have to use another word. I did not call for a dialogue. That aspect was highlighted by news agencies and by the enthusiasm of the journalist who got the interview. And yet, the interview in its entirety placed Israeli thought and Israeli policy on trial.

The dialogue was something of an afterthought, but it had a strong journalistic appeal. I did not call for dialogue, but I did say that I was willing to meet

with Israeli writers and journalists. Practical measures are actually being taken to make such a meeting happen. That meeting will be nothing more than an open, public discussion between Israeli and Palestinian writers. The dialogue, which will be moderated by a French newspaper, will be published. It will not be a secret dialogue held in hotel hallways and behind closed doors. Palestinian writers will present their point of view, and Israeli writers who recognize the Palestinian people's rights will present theirs. That dialogue will be publicized in all the foreign media, and it may even be publicized in the Arab media. We are not conducting any secret talks, and I am not authorized to negotiate. I do not believe that the current political situation of the Arab-Israeli conflict is one that makes us qualified to embark upon negotiations. The balances of power would not allow us to do that. The Israelis do not recognize us as a party with whom they could have political negotiations. This, then is a legitimate attempt on my part to accomplish something. My dream is to organize a front of Israeli writers who oppose the occupation and recognize the Palestinian people's rights. A major conference was held in Tel Aviv 1 month ago on the 20th anniversary of the June war. Hundreds of Arab and Israeli writers took part in that conference which was held under an anti-occupation slogan in favor of giving Arab writers their freedom to create. Thus, I cannot remain ineffective and not participate in organizing a cultural front for Arabs and Jews who oppose Israel's occupation of our land and its usurpation of the Palestinian people's rights.

As I see it, this surprised reaction can only be the result of misunderstanding or misreading the text of the interview. It could also be the result of narrow-mindedness. I cannot imagine that during their revolution the Algerians were not delighted that French writers supported their right to be independent. I would not have understood the Vietnamese had they become angry because American writers supported Vietnam's right to be independent. We are engaged in attempts to create conflict on other fronts: on the public opinion front and on the general consciousness front. This is being done in an attempt to organize a cultural front within Israeli society, a front that recognizes the Palestinian people's rights.

An Iniquitous Phenomenon

[Question] The word, dialogue, has strong appeal. But shouldn't we be asking about the usefulness of such a dialogue with an Israeli society whose rejection of Palestinian rights and hostility toward Arabs is quite extreme? Movements like the Peace Now Movement and others have almost become extinct. And even the Progressive Peace Front, which was organized by Arabs and Israelis, did not gain any popularity with the Israeli public and with Israeli public opinion.

[Answer] It would be useful to note that the increase in the number of Israelis who recognize the Palestinian people's rights is accompanied by an iniquitous phenomenon which runs counter to such recognition. People who are responsible for that phenomenon find that a solution to the problem lies in going back to the classical origins of the Zionist method. In other words, people who subscribe to that view think that exterminating the Palestinian people is the solution. Thus, there is more than one change developing from the Israeli consciousness front. There are writers who are coming closer to an awareness that recognition of the Palestinians is inevitable. But there are also writers

who are moving away from such an awareness. The change is not happening in one direction. At this point let me ask a question: Is it not our duty to encourage change which runs counter to the prevailing consciousness, the one that is coming closer to an awareness of our rights? I cannot calculate how useful that will be in political terms, but it would also be useful to affirm that the crisis in Israeli consciousness is attributable to two phenomena.

First, the Palestinian people's heroism in the occupied land, and their heroism in resisting the occupation.

Second, the crisis in Israeli consciousness is also attributable to the steadfastness and heroism of the Palestinian people in the camps and when they were under an outside siege. This means that change in the Israelis' awareness of our rights is contingent upon change in the Palestinian resistance. We must always make the Israelis feel that they are paying a very high price for occupying our land. Thus, stiffening and stepping up the resistance as well as reinforcing the people's steadfastness are conditions for bringing about a positive change in the Israelis' consciousness and not the opposite. This is something that involves conflict; it is not something that we can haggle about. We are stepping up the struggle on the military, political, and media fronts as well. We should not feel imperiled at all by revealing the contents of the Palestinian message. It is a message of freedom and humanity. It follows, therefore, that we are not closed-minded; nor are we Zionists to the point of rejecting those Israelis who speak up in favor of our rights. The question, however, is this: will any of this have an influence and be of some use? Of course, I see no practical, concrete outcome to such a dialogue and such talks. But I am a media man and an intellectual, and it is my duty to participate in the battle that is being fought over consciousness. The influence of such a dialogue will be felt very slowly, and it may yield no results. But what are we to do? Do we continue to wait? The current balances of power do not allow for any change in this dialogue that would bring about radical change in Israeli society. I know that. I am not naive; I am an expert in Israeli affairs. The balances of power and the conflict equation will yield no visible outcome. We are writers whose work involves culture. The only thing we can do is talk about matters and gradually leave our mark on people's consciousness, even if doing so were to yield nothing. It is important to me, nevertheless, to publicize the scandal about the crisis in the Israeli consciousness.

There is a crisis in the Israeli consciousness, and it is my duty as someone who is directly involved in the conflict to work on that subject even if that were to yield no results. The trial, however, will be a proper trial that will determine whether this debate and dialogue and this consolidation of efforts on the consciousness front constitute an alternative to another action. I do not think they do. This dialogue, however, is a development and a continuation of another action; it is also an extension to another action. What we are facing is a public discussion between Israeli and Palestinian writers about the Palestinian people's right to exist and their right to establish their own independent state.

Why Did You Leave?

[Question] Some people are wondering why Muhammad Darwish left the occupied territory when he believes that dialogue with Israelis or with Israeli

intellectuals could be useful. Why did you leave, and why didn't you stay to talk with them to your heart's content?

[Answer] As I said, this is not a matter of how the benefits of dialogue with Israelis can be measured and calculated. I had not stopped talking with Israelis even when I was living in the occupied land. Dialogue between Palestinian and Israeli writers has been going on since 1970 where it started in the auditorium of a large movie theater in Haifa. It was a dialogue that was open to the public. At that time the victory we scored was a very small one. We established an Israeli writers' front which forced the government to repeal censorship on the literary work of Palestinians. We must understand the range and limitations of our power. A Palestinian state will not be born tomorrow out of this writers' dialogue. Nevertheless, in our creative and pedagogical activities and in the conflict over consciousness in which we are engaged, we did succeed then in establishing a front that was organized around a democratic point: Palestinian writers have the same right to publish as Israeli writers do.

However, I am not so naive as to think that this is the main issue. This is one of the ramifications of the Palestinian question. Our struggle is not just a pan-Arab and national struggle; it is also a struggle for democracy by approximately 2 million Arabs who are living under occupation and are considered Israeli citizens. Those Arabs have democratic rights. On the one hand, therefore, our battle is a national battle, and, on the other hand, it is a battle for democracy. It is also a battle between classes. Dialogue is not new to me. I lived among the Israelis under the occupation, and I have an Israeli passport. I lived among the Israelis just as my colleagues and fellow countrymen, Samih al-Qasim, Emile Habibi and scores of other Palestinian writers are now living. It is their duty to improve conditions for the battle over democracy and for the national battle as well.

Why did I leave? After 1967 my awareness of the Arab-Israeli conflict changed. I became convinced that the conflict went beyond the question of democracy and that it had to do with the more far-reaching national and pan-Arab question. I left the occupied land to join the Palestinian Resistance, not to initiate a dialogue with Israeli writers. It is essential that I note that the evolution of the Palestinian phenomenon and the evolution of the Palestinian reality and its intrusion upon the Israeli consciousness are the result of stepping up and changing the resistance. In other words, it is not dialogue which created the new Israeli consciousness, but rather stepping up the resistance that did. This is a fact that we must never forget when we engage in any dialogue with any Israeli who is coming close to recognizing our rights. We must have no illusions when we embark upon such a dialogue. Those Israelis are a minority, and they may be an inconsequential minority. But it is our duty to help them change their awareness of our rights, and it is our duty to spread that awareness in Israeli society.

[Question] There are those who fear that this invitation for a dialogue may open a door that had been shut or at least left ajar. They fear that such an invitation might give opportunists who want to achieve an alliance or some sort of peace with the Israelis the chance to do just that. Anyway, how can we deny others that which we allow ourselves to do? Why do you object to a dialogue or meeting between Phalangists and Israelis?

[Answer] Not only is there dialogue between Israelis, separatist Arabs and Zionists, but there is also an alliance between them. Arab separatists, whose highest-ranking specimen was al-Sadat, do not need to have Palestinian consent to organize an Israeli front that recognizes Palestinian rights. The separatist-Zionist alliance opposes the existence of Palestinians as well as Palestinian rights. This alliance also objects to the existence of Israeli leftist forces who struggle against the Israeli occupation for the recognition of Palestinian rights. This is a sick joke promoted by separatists who no longer need license from anybody. As I told you, Arab separatists are not calling for dialogue with democratic forces. They are rather calling for an alliance with the Likud. I am not talking with Zionists, with the Likud, or with Labor, but I am trying to influence the Israelis as a Palestinian. I am trying to bring the Palestinian reality or assist in bringing that reality to the consciousness of a few Israeli writers--a minority who recognize the rights of the Palestinian people. There is a big difference, and no further defense of [my position] is needed.

Prodding or Calling for Dialogue?

[Question] A poet's mission has always been interpreted as one that is restricted to prodding people to fight and resist. Calling upon people to engage in a dialogue is something new for poets, and it may have other implications. How would you comment on that?

[Answer] Becoming engaged in dialogue with forces that support us is not inconsistent with calling for steadfastness. It is also not inconsistent with fighting and stepping up the resistance. [In fact], developing resistance, steadfastness, and combat efforts is a condition for developing this dialogue. I see no conflict between combat development and talking with forces that want to ally themselves with action which would cause the Palestinian reality to penetrate the Israeli consciousness. This is a very early appraisal of the situation. We do not have many allies besides Rakah; a few individuals in that area are also our allies.

Calling for dialogue with those who recognize the rights of the Palestinian people is something that will have positive results if it is linked with stepping up the resistance.

[Question] Do you believe that the Palestinian masses in the occupied land and in the camps who have become accustomed to reciting Mahmud Darwish's poetry of resistance will understand and accept such an invitation for dialogue?

[Answer] I think the Palestinian masses are more mature and more aware of their interests, their national feelings and their national rights than a few frantic individuals. The Palestinian masses are not striving for isolation. They would welcome any international or even Israeli figure who defends them and their right to survive. This is because the Palestinian masses speak from experience. What they say stems from their suffering and is not the result of having the luxury of contemplating the situation in coffee shops! These masses know what and who serves their interests, and they also know that my involvement in this matter and the call to change the Israeli opposition serve their interests. Accordingly, I can never doubt that the Palestinian masses would see all my

cultural and diplomatic activity in a responsible and positive way. I do not have to say that my activities in this regard are informative.

Israeli Reactions

[Question] How did Israeli intellectuals react to your invitation or your willingness to talk with some of them?

[Answer] The reactions exceeded my expectations. When I said that I would be willing to meet with Israeli writers who recognize our rights, I did not think they would take me so seriously, and I did not think they would welcome my positive response. Some of them agreed to such a meeting, and I was surprised by how quickly they agreed. Of course we have traditional allies in the occupied land. Our allies are the Rakah Group and their supporters who adopted the approval that was given to the dialogue. They are the ones who promoted it and tried to make it happen. It is their opinion, based on my sense of responsibility and their profound experience, that such talk will help them develop their work inside Jewish circles. But I would not agree to an unconditional meeting, and I did not agree that we meet in some kind of friendly setting to put on a show. I am insisting on the conditions I made, and they have to recognize them in advance and issue some kind of pre-meeting statement recognizing the existence of the Palestinian people and their right to determine their own destiny and establish a Palestinian state on their national soil. They also have to recognize that the PLO is the representative of the Palestinian people. If these conditions are not met, I will not meet with anyone, and I will not talk with anyone.

Let this be clear. Suspicious Arab political thinkers ought to look closely at what I am saying and not hasten to make premature accusations. I have the right to shed light on my message and to show its humanitarian content about freedom and liberation. I have the right to put the spotlight on the radical differences between what the Palestinian message and the Zionist message have to say. I say without hesitation that I am quite knowledgeable about the make-up of the Israeli consciousness. I think that there is now a moment during which Israelis can listen to Palestinians who were always out of the picture. Israeli presence had always been contingent upon the absence of the Israeli people. With the Palestinian people out of the picture on the 20th anniversary of the Israeli occupation, the Israelis got a rude awakening when they had to face the truth about the existence of the Palestinian people. It is at that moment of critical awareness that we have to continue declaring that real peace, peace which is based on recognizing the Palestinian people's right to be independent, is missing from the picture, not because of the iniquity of the Palestinian message, but rather because of the iniquity of the Zionist message. Peace is missing not because of frantic, Palestinian behavior, but because the Zionist plan has made Israeli presence contingent upon the absolute absence of the Palestinian people. This consciousness which is now spreading among the Israeli public should be looked at with interest and anticipation. It is our right to do so. We have to increase the difference between the opposition's consciousness and the prevailing consciousness of the establishment.

[Question] What are the elements which make up that moment you referred to as one during which Zionists will listen to Palestinians?

[Answer] The most important elements of that moment are the Israeli occupation's inability to tame the Palestinian people and its inability to assimilate the land and the people. The Israeli occupation is facing the predicament of being asked the historical question about its identity. If the land which was occupied in 1967 is annexed and its residents become citizens of the Jewish state, the Jewish character of the Israeli state would be lost and the Israeli state would find itself involved in a demographic inconsistency similar to that which exists in South Africa. Another factor has to do with the fact that resistance inside the occupied land is constantly being stepped up, and the Israeli occupation is unable to assimilate the national identity of Palestinians. There is a third reason: it can be seen in the steadfastness of the Palestinian people who are under siege abroad. Because they have been defending their survival and their identity in the Palestinian camps with heroism, they did not allow the Israelis to remain blissfully unaware of their existence. When Israelis look at the future and when Israeli intellectuals look at themselves and pass judgment on their experience 20 years after the new occupation, they express their clear fear of time. They all agree that time is not on their side. Consequently, there are developments, the most important of which has been the steadfastness of the Palestinian people. That steadfastness shook the Israeli consciousness out of its stupor. This is not to say that the Israelis' consciousness now contradicts that of the establishment. It is still too early to talk about organizing in Israeli society a social consciousness which would contradict that of the establishment. When that happens, there will be serious talk about civil war in Israel. But it is still too early for that. Nevertheless, it will be up to us to enhance that moment when we will be heard by intensifying the crisis and increasing possibilities for organizing a consciousness in society that would contradict that of the establishment.

This means that we are now at a point when we may interfere in so-called Israeli domestic affairs. We can develop an inevitable recognition of a people who had had no place in the Israelis' consciousness. This change seems easy for us, but it is a tremendous change for them. After being completely out of the picture in their consciousness, we are now in that picture. At first, their awareness of our existence was painful, and then it became stinging and hurtful. Israelis now cannot pay the costs imposed on them by our presence. The defeat for the Israelis' consciousness is highly significant. Although we did not notice it before, they did. That defeat is manifested in their crisis in Beirut. The 1982 siege was the first defeat for the Israelis' consciousness which went further than that which they suffered in 1973 when the Egyptian army crossed the Suez Canal. At that time the Israelis were rescued by al-Sadat. In 1982 I read at least 200 poems which were written by Israeli poets against the siege of Beirut and the massacres in the camps. But it is not because Isarelis have had a sudden awakening of their conscience that they feel such pain. Their pain rather stems from having had more losses in human life than they can bear to have. Menahem Begin has gone mad, and he now suffers from chronic depression because of the siege of Beirut. What happened to Begin, for example, provides a summary of the development of Israelis' consciousness. Begin is the man who had built his political career on the massacre at Dayr Yasin. He believes he is the one who transformed the people of Palestine into ghosts of their former selves. Begin came face to face with those ghosts at the walls surrounding Beirut. It was those ghosts which sent Begin back to Tel Aviv a sick man. He is now living in

his apartment overlooking a mental hospital which was built over the ruins of Dayr Yasin.

This then has been a complete change in the Israelis' awareness of the Palestinian people: after being aware of them as ghosts, Israelis are now aware of the existence of Palestinian soldiers who fought at the walls of Beirut. Those soldiers were responsible for the fact that more Israeli soldiers than Israelis could tolerate went back from Beirut in boxes. In our view the Israeli consciousness crisis constitutes a major change. But that consciousness did not come cheap; Arabs and Palestinians fought for it. Nor did consciousness about Vietnam come cheap to the United States. The awakening of the American people's conscience was no picnic. The American people's conscience was awakened by the number of dead Americans returning from Vietnam in boxes. It was that which affected the American consciousness. One's consciousness does not develop too far from one's interests. The Israeli consciousness is changing now because Israelis think that a continued attempt to exterminate the Palestinian people is costing the Israelis a great deal. Israelis know that in making that attempt they are not escaping death or injury.

Visiting Israel

[Question] If Israeli writers who recognize the rights of the Palestinian people were to invite you to visit occupied Palestine to talk with them, would you go if they were to get you an entry visa from Israeli authorities?

[Answer] This is a question that one has to mull over because it touches upon an emotional issue. One feels a pang in his heart when he hears the words, "going back." The reason we do everything we are doing can be summarized in the phrase, "going back" to our homeland, which is all that we are seeking. All that is being said about a Palestinian state or about self-determination is said so that the Palestinian people can go back to their homeland, their history, and their birthplace. The phrase, "going back," is very appealing, but it is one which has been beset by sieges, massacres, wars and battles. Going back is not a unilateral solution. A single person going back alone is not going back to his homeland. Going back to the homeland is either a collective process or it is nothing at all. Going back involves conflict and heroism; it is not a matter of a personal invitation. No one can give me personally permission to go back because that is a matter that would go against Israel's grain. It would set a precedent which has hitherto been unacceptable to the Israeli consciousness. Going back requires official Israeli approval, not a poetic welcome from a few Arab or Jewish friends and fellow poets. I can, of course, go back through my poetry. Last year I did go back through my correspondence with Samih al-Qasim. It was a psychological and an emotional return. However, going back in the sense of visiting my country would be painful. The phrase, "visiting my country," is painful. Either I go back or I don't. But since we're talking about hypothetical situations, let me say that even if Israeli authorities permitted me to engage in a dialogue there for reasons that I find unlikely, I believe that I would have to refuse to go back. Either I go back for real or not at all. I would not go back under these conditions. I cannot be a guest of a prison warden or an occupation force.

I Am not Another al-Sadat

[Question] Some people compare your call for dialogue with Israeli intellectuals with President al-Sadat's call for dialogue with Israelis in the Knesset. Those people find a connection between the two appeals. We all know the outcome of al-Sadat's step. Is there any basis for comparing the two?

[Answer] First of all, Anwar al-Sadat was a head of state who was interested in making peace between Egypt and Israel, and he signed a peace treaty with Begin. But I do not operate in such a political context. I am involved in or I'm dealing with the conditions of a new conflict, which is that of Palestinians approaching a front where there is conflict over the consciousness of Israelis. What I am involved in is a public relations and an intellectual risk. It does not involve the political activity of negotiating. As I said a little while ago, Israel's rejection of negotiations between Palestinians and Israelis is even stronger than that of Palestinians. This is because the presence of Israelis is contingent upon the absence of Palestinians. I am not optimistic about the possibility of establishing two neighboring states: a Palestinian state and an Israeli one. States are not born out of a certain awareness that grows under conditions in which the conscience of individuals is awakened when one party discovers that the other party deserves justice. States come into existence as a result of wars, battles and deadly struggles in which the balances of power are upset. I would not even dream about a Palestinian state that can be born out of a meeting in which a small-time poet like myself would participate. Thus, there is a tremendous difference between a meeting of the two leaders of two states and a dialogue between Palestinian poets and Israeli opposition poets who are not responsible for making decisions and who could be put on trial if they should meet with me. Not only is the difference between the two great, but comparing them is also ludicrous. Al-Sadat's problem in the final analysis was not his pursuit of peace. After all, peace is the goal of every war. Al-Sadat's problem was in the kind of peace he sought. Al-Sadat did not achieve peace that is based on justice, freedom and national integrity. Al-Sadat extricated himself from a suspect despair in the Arab situation and ruled out a military solution to the problem. This is the tragedy of the Egyptian-Israeli peace as far as Egypt is concerned. Consequently, al-Sadat made Egypt vulnerable, depriving the national will of an alternative to negotiations which Egyptians may have wanted to utilize. That is why there can be no comparison between what al-Sadat did and what I am calling for.

[Question] Are you a literary 'Isam Sartawi? In other words, are you following in Sartawi's footsteps?

[Answer] I don't know if it would be fitting to talk about Sartawi who is no longer with us. I also don't know if it would be fitting to declare that I never agreed with Sartawi's plan for secret negotiations with the Israelis. I called for a public debate between two schools of thought. There is a major difference between this and that. That is, I am extending an invitation to talk in the context of the conflict and not in the context of negotiating. Actually, I am not familiar with Sartawi's mission, but the mere fact that it was a secret mission is something I find objectionable. Thus, there is absolutely no similarity and no comparison between what Sartawi was doing and an intellectual dialogue which sets forth the Palestinian message to European public opinion and

Israeli public opinion as well. Sartawi is someone I can neither condemn nor condone. The conflict I am waging is one of ideas; I do not negotiate when I am engaged in conflict.

[Question] Aren't you afraid that what you are calling for might be misunderstood and that you may lose your life as a result of being misunderstood?

[Answer] This is silly. My life is dedicated to the question of Palestinian freedom. Should this become an opportunity for my enemies to settle accounts with me, then I will simply consider myself a martyr for the Palestinian cause. However, those who have evil intentions and who are lying in wait for the Palestinian Revolution and those who oppose the Palestinian phenomenon's preeminence over that of the Israelis and of other similar separatist phenomena must remember that the lowest fighter or poet on the totem pole may be the equal of an existing government. That is why they should take their time before making threats.

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ISRAEL

NEAR EAST

PERES OPPOSES, SHARIR FAVORS EXTRADITION

Tel Aviv MA'ARIV in Hebrew 27 May 87 p 12

[Article by Ilan Bekher: "Sharir Supports the Extradition of an Israeli Offender to Sweden"]

[Text] A conflict has developed between Foreign Minister Shim'on Peres and Justice Minister Avraham Sharir around the issue of Belgium's request that Israel extradite an Israeli citizen who is being held in Sweden on suspicion of dealing in dangerous drugs.

Sharir thinks that they should agree to Belgium's request, but the foreign minister is opposed "for humanitarian reasons." The two ministers will meet this week, but it is doubtful that they will resolve the differences between them.

The person in question is Nati Weissman, 29, who is being held in Belgium on suspicion that he tried to smuggle 20 kg of dangerous drugs into Sweden. According to the International Extradition Pact, when a country holding a suspect who is a citizen of another country seeks to extradite that person to a third country, it must get the agreement of the country where the suspect is a citizen.

Belgium turned to Israel, and the government, in a session which took place 2½ weeks ago, decided that the minister of justice and the foreign minister should look into the Belgian request.

The minister of justice decided that Israel should extradite the suspect because of the seriousness of the crimes. There is another reason as well. Even if he were extradited to Israel, he could not be judged here without evidence. State attorneys and the legal advisor to the Foreign Ministry, Ruby Seibel, submitted a similar opinion.

Peres, however, surprised everyone when he notified the minister of justice that, after reviewing the material, he believed that extradition of Weissman should be prevented due to "humanitarian reasons." The foreign minister's position angered the Justice Ministry, and senior sources reported that Sharir would not back down from his position.

The Foreign Ministry reported that Peres' decision stemmed from concern for the Weissman family, who were having a hard time because of the arrest of their son. The Justice Ministry reported that no decision had been made yet about extradition.

MUNICIPAL STRIKE FORCE CONSIDERED FOR TEL AVIV

Tel Aviv MA'ARIV in Hebrew 5 Jun 87 (Supplement—"Tel Aviv") pp 14-15

[Article by Moshe Gorali: "Different Kinds of Police"]

[Text] Professor Efraim Turgovniq, deputy mayor of Tel Aviv, wants to set up a municipal police force, "a small armed strike force which will go around and occasionally bash a head when it is necessary." What is being talked about is a force of no more than 50 municipal employees in uniform with some authority in order to give residents the feeling that there is a speedy and effective solution to everyday hassles. This is not meant to be a replacement for the regular national police but is intended to deal with those objectives that the national police force does not deal with, namely, restaurants that are open beyond the limits of their permits, loud parties that disturb the neighbors until the wee hours of the morning, and an increase in the security of defenseless old people.

Turgovniq hopes that the law will give him the necessary authority. He doesn't need it. From a legal point of view, the tools already exist to get policelike powers from the chief of police. Take the green cruiser, for example. These are employees from the Ministry of Agriculture who use arms and have the authority to carry out the objectives of the ministry. What the law allows to the minister of agriculture, it also allows to the mayor, except for the fact that the residents of Tel Aviv will not be treated like the Bedouins in the Negev.

Meanwhile, Turgovniq, as a political scientist, is caught in an intellectual battle with the traditional trappings of our centralized rule. The police force as a public service is yet another expression of the centralization which characterizes our lives, a centralization which has not proven itself. We ought to aspire to pluralism. There is no question that the army must be in the hands of the state, but other services, such as education and health, for example, could be purchased by the residents, including police services. This would not be a substitute for the national police but would serve alongside it, for the classic municipal functions, for all the needs of community-police relations. The police would focus on serious crime, security issues, and large demonstrations. But to quiet down noisy singing at 3 am, a prepared and effective municipal police force would suffice. Why can't a mayor who wants the trust of his constituency take pride in the fact that, in addition

to a promenade or beautiful statues, he has given a sense of security to the residents of his city?

It sounds simple and logical. The proposal was set forth in a symposium, "Police: State, Municipal, or Private?" at Tel Aviv University. Moshe Tyumqin, former chief of police for the Tel Aviv district, opposes the idea. "To think that 50 people are going to solve all problems is an illusion. What happens if Tel Aviv has money for a good police force and Bat Yam doesn't? An effective police force is based, first of all, on national intelligence, on the ability to concentrate large forces, and, especially, on long and rigorous training before giving them the authority to use force. As far as the rights of the individual are concerned, for example, it is hard for the police, with every good intention, to guarantee that every last policeman behave in accordance with the law. Would it be possible to guarantee this with a municipal force when you are not sure that you will be able to offer its personnel the proper training?"

A municipal force might change the geography of crime. A strong Tel Aviv force would chase away the criminals to less protected cities. Dr Yoram Shahar, head of the Criminology Institute at Tel Aviv University, says the following: "At present, private police forces guard prestigious communities like Savyon and Zahala. The general level of crime has not dropped because of that. The criminals simply seek out other, less protected places. Whoever can't break into Zahala will try to break into Newe Sharet, and then the crime becomes more violent. The criminal who doesn't find anything will take out his anger and his frustration on defenseless victims such as old people who are alone."

Shahar believes that it is too soon to get alarmed, but the issue of a private police force requires attention soon. At this time already, the number of those involved in private security is three times the number of the state police force, which consists of about 18,000 people. We are talking about a large force, part of which is armed. It has weapons but it does not yet have the authority to use them.

Professor Turgovniq is completely convinced that there is a place for establishing cooperation between the state and private police forces, and that their proliferation is an expression of the legitimate inclinations of supply and demand. Within the framework of this cooperation, there is also a place for the municipal police.

Some of the opposition to Turgovniq is fueled by the fear that he will decide to limit this policing as an attainable need only for the well-to-do. The journalist Natan Dunvitz, a long-time Tel Aviv resident, raised the following interesting argument: "Every mayor will want to be sure that his police will not cause him political problems, for example. Before elections, the order will probably be given not to bother those people whom the mayor wants to please." He also brought up municipal problems. "Mod'im Street is divided among three towns--Ramat Gan, Giv'atayim, and Bene Beraq. Which police force will function there?" Another problem involves "a classic municipal problem--tearing down illegal structures. What will the municipal police do in the

face of strong resistance from the residents? Will it call in the state police and say it is not prepared to deal with it?"

And, of course, the financial questions are raised. If the town wants to hire well-prepared people, skilled and responsible, it will have to pay them accordingly. This may mean paying them more than the regular police force is used to being paid. It is understandable that this may stir up bitterness and demands and probably with good reason. Why should the Israel police, who are involved in operations which are more complex and intricate, earn less than the Tel Aviv police? The dilemma will no doubt intensify when the latter request help from the state police.

Turgovniq thinks that these problems, though important, can be solved. They do not shake his faith in the correctness of his idea nor in the urgent need for it to be implemented.

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AIR FORCE BOMBS RESIDENTIAL STREET

Tel Aviv MA'ARIV in Hebrew 18 Jun 87 p 9

[Article by David Zohar and Yosef Walter: "Air Force Helicopters 'Bombed' Devora Street in Qiryat Motzqin"]

[Text] "It was pure chance that people from the neighborhood were not on the highway at that time. Otherwise, the bomb that exploded and turned into a strip of fire running along the highway would have turned people into burning torches," says Felix Rozolio, one of the residents of Devora Street in Qiryat Motzqin, where a beehive of bombs fell from a helicopter that circled over the neighborhood at 6 pm the day before yesterday. "I have no doubt that this was a case of serious negligence. I hope that the Air Force will thoroughly investigate what happened and will draw appropriate conclusions."

Indeed, the Air Force Command opened an investigation. Yesterday an IDF spokesman urged the public not to touch the bombs and to advise security forces of their existence. The "bombing" of Qiryat Motzqin occurred during a training flight of Air Force helicopters. Since then police and army crews have been busy picking up the small bombs scattered over a wide radius. For the time being, no decisions have been made against the two helicopter pilots.

Residents at the juncture of Harav Kook-Devora Streets in Qiryat Motzqin, who even yesterday were still under the impact of their shocking experience, told MA'ARIV that two helicopters were flying very low over the neighborhood when suddenly a metal beehive containing 30 small bombs dropped out of one of them.

Immediately after the drop, apparently, two or three bombs exploded, emitting clouds of smoke. One bomb left a wide strip of fire, like a small napalm bomb, on the highway, which evoked fear in the residents. Upon hearing the roars of the bombs, some of them ran to windows and others rushed to the area of the incident.

"I was terribly frightened and I hid inside the hairdressing salon. I did not want to go out. This was very frightening," Yafa, the owner of the hairdressing salon on Devora Street, told us. Her 12-year old son Moshe said: "I was playing near mother's hairdressing salon. Suddenly, we saw something dropping out of the helicopter and making a big noise. Then we heard an explosion and saw fire and smoke. People began to scream and crowds began to

run. Someone shouted that many bombs fell and then everyone, instead of running away, began to look for bombs and bomb fragments and to pick them up. I also picked up a few."

Civil Defense and Civil Guard reinforcements also arrived at the place. Demolition experts and dozens of security people combed the region. However, many civilians from the neighborhood also continued to search for bombs and did not pay heed to the warning to keep away from the area. "I had to help in the search. I felt a need. After all, this happened near my home. I managed to pick up six bombs," Felix Rozolio tells us.

Yesterday residents were worried when they found out that three small bombs had not yet been detected and were hidden somewhere in the densely populated residential region. The search continued for many hours.

Moshe Fergon, a clerk at Tenuva, who lives in the neighborhood, said: "What happened was a debacle. Such a thing falling in a populated neighborhood would have killed passersby even if the bombs had not exploded--just from the weight. There was a serious panic and the excitement still continues here."

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ISRAEL

NEAR EAST

IAI DEVELOPING NEW SPY PLANE

Tel Aviv MA'ARIV in Hebrew 1 Jul 87 pp 1, 2

[Article by Dan Arqin: "IAI Is Developing Falcon Spy Plane for Early Warning"]

[Text] The IAI is developing an electronic spy plane for early warning called Falcon. Upon the completion of its development it will be offered to customers as an alternative to the famous American AWACS and Hawkeye spy planes. The special equipment for early warning in the Israeli Falcon will be installed on the 707-Boeing plane. This is reported by AVIATION WEEKLY in this week's issue.

AVIATION WEEKLY writes that the new Israeli Falcon spy plane differs from the two American AWACS and Hawkeye spy planes in that it does not have a saucer-shaped antenna in its upper part, and all its radar equipment and antennas will be attached to the Boeing-707 body.

IAI officials told the weekly that the Israeli spy plane will be equipped with advanced radar instruments, "friend or foe" identification systems, an array of directional antennas, sensors, and additional types of equipment, which will provide information and data on the battlefield.

Several systems and equipment on this plane have already been flight tested. According to IAI officials, in 2 years it will be possible to fly a fully equipped spy plane with all its systems, and its performance is expected to be better than that of the two early warning planes manufactured in the United States.

In the same issue in connection with the Lavi aircraft the weekly reports that unofficial talks were held on a possible future sale of the Lavi to the American Air Force as a trainer replacing the model T-38 plane. In such a case the Lavi's final manufacture will be executed in the United States.

11439
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THOUSANDS HAVE LEFT GALILEE SETTLEMENTS SINCE LEBANON WAR

Tel Aviv YEDI'OT AHARONOT in Hebrew 23 Jun 87 p 8

[Article by Gad Li'or, YEDI'OT AHARONOT correspondent: "Thousands of Jewish Residents Have Left Confrontation Settlements in Galilee in Recent Years"]

[Text] Thousands of Galilee residents, most of them from settlements on the confrontation line on the Lebanese border, have left their homes in the last 5 years, since the beginning of the Lebanon war, and have moved outside the region of the confrontation line. As a result of the negative emigration, which exceeded the arrival of new settlers in the region, the number of residents in the northern Galilee has dropped about 3 percent since 1982.

Yesterday the existence of negative emigration in the country's north was revealed by heads of the Ministry of Economy and Planning, who presented the most comprehensive plan for developing the Galilee and again placing it at the top of the list of priorities, which was submitted by Minister of Economy Gad Ya'aqobi to the Ministerial Committee on Economy.

Katyusha Line

Yesterday Moshe Davrat, director-general of the Ministry of Economy, revealed that residents have been abandoning the 'Akko-Zefat highway region and the region north of it in recent years. There are 4,000 fewer residents, only several years after their number in the northern Galilee had been steadily increasing.

On the other hand, the number of residents in the region south of the Katyushas' range--south of the 'Akko-Zefat line--has increased by a similar percent since the Lebanon war. Today 80 percent of the residents in the northern Galilee region close to the border are Jews and 20 percent are minorities, mostly Druze.

Yesterday Ya'akov Heykhal, coordinator at the Council for National Planning, claimed that to this day the Galilee does not have a single national development plan. According to him, "so far the Galilee has been built without any planning. There are no access roads to industrial regions from settlements. Residences are in one place and commercial areas in another--everything is done without coordination. This was a 'fire extinguishing'

policy--once in Qiryat Shemona and once in settlements on the northern highway and so on and so forth."

To Bring Back Those That Leave

Yesterday heads of the Ministry of Economy presented the main points of the new plan for developing the Galilee in the 1990's. Its goal, among other things, is to bring thousands of residents back to the Galilee who have left there in recent years. The Ministerial Committee on Economy is supposed to discuss this plan and, most probably, to approve it in the next few weeks.

These are the plan's main points:

Four modern express transportation arteries, which will cross the Galilee, will be constructed: one lateral axis from Nahariya to Hazor in the Galilee (near Rosh Pina); three longitudinal axes: from the northern border to Karmiel; from the border to Zefat and the 'Akko-Zefat highway; a western axis, on the sea coast, part of which already exists.

Special emphasis will be placed on turning the Kinneret region into a preferential tourist spot.

Industrial enterprises, connected by convenient access roads to all the settlements in the region, will be established.

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ISRAEL

NEAR EAST

'SHMITTA' TO COST \$50 MILLION

Tel Aviv HADASHOT in Hebrew 2 Jun 87 p 7

[Article: "Israel Will Lose \$50 Million Because of the Ultra-orthodox"]

[Text] Israel will lose \$50 million this year because the Ministry of Industry and Commerce is knuckling under to the threats of extremist Orthodox groups. The national secretary of the National Religious Party, Shaul Yahalom reported this in the limited session of the Knesset. Under discussion is the wheat crop growing in Israel this year--the year of "shmitta" (fallow year)--which amounts to 250,000 tons. The flour stations refuse to purchase the Israeli wheat from the farmers because of pressures from the bakeries, which were warned not to use the wheat or their authorization of "kosher" would be removed. The bakeries have been told to use only imported wheat.

Yahalom described these facts as outrageous. According to him, the Chief Rabbinate of Israel allowed the farmers to grow the wheat and to sell it with a sales permit and permitted the use of the surplus grown during the "shmitta" year after the land was sold to a non-Jew. All the wheat fields in Israel were worked on this condition. Despite the position of the Rabbinate, however, the bakeries are afraid to use the wheat, and it is still in the fields unharvested.

In telegrams sent to the minister of industry and commerce, the NRP demanded that the flour stations in Israel be forced to buy the wheat this year in order to prevent it from going to waste.

Rabbi Eitan Eisman, director general of the Council of the Chief Rabbinate, who appeared at the session, pointed out that the government pays every farmer in Israel \$200 per ton of wheat. This means that \$50 million would be wasted without any justification.

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ISRAEL

NEAR EAST

INTERNATIONAL MONEY LAUNDERING SCAM DISCOVERED

Tel Aviv YEDI'OT AHARONOT in Hebrew 29 May 87 p 8

[Article by Moshe Ronen: "Transfer of Millions of Dollars via Israel to Central America Discovered"]

[Text] An operation involving the systematic transfer of millions of dollars from the United States to Israel and from there to Central American countries was exposed in recent weeks by the National Unit for Fraud Investigation, headed by Deputy Commander of Police Yoram Gonon.

So far, the police have evidence of the transfer of \$4 million as well as a suitcase that was caught in the hands of a financial courier, 'Adi Tal, an Israeli from Petah Tiqwa who has been living outside New York for the past 4 years. In it was \$500,000 in cash in new bills.

The police revealed that the network was systematically transferring cash from the United States or from somewhere else, bringing it to Israel, depositing it in Bank Leumi in Petah Tiqwa, and then transferring it through the bank to a Central American country. The source of the funds is unknown. The police can only guess.

The police investigators and Superintendent of Police Shim'on Marili have evidence confirming another kind of suspicion. They know that one of the couriers regularly gave certain security staff or crew members of El Al sums amounting to 2½ percent of the money transferred in order to protect the funds.

Legally, security workers and employees of El Al are public servants, and any payment made to them is considered a bribe. An El Al steward was released on bail last week from Shalom Court in Tel Aviv.

The defense attorneys, Dror Maqrin and Yehuda Tuniq, argued in court that there was no financial wrongdoing. The money arrived from outside the country and left the country after an Israeli bank collected a hefty fee for transferring it to Central America.

Apparently, the police will file the case away.

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MAIN POINTS OF BANK OF ISRAEL REPORT OUTLINED

Tel Aviv HADASHOT in Hebrew 1 Jun 87 p 7

[Article by Yitzhaq Arvit: "Mikhael Bruno: The Goal Is 10 Percent Inflation"]

[Text] "The great success of the unity government was in its ability to deal with economic problems even when there was no political stability. If cooperation continues on economic issues, there is a chance that growth will be renewed and stability continued. If elections are held, the concern must be that the cost to the economy not be high." This was what Professor Mikhael Bruno, governor of the Bank of Israel, said yesterday after reviewing the major developments in the economy over the past year following the release of the report of the Bank of Israel for 1986.

Bruno dealt with the following estimates and data:

Salaries: Bruno turned to the government, the Histadrut, and employers and asked them not to raise salaries above the cost-of-living increments. Private manufacturers who want to raise salaries should know that they do so on their own responsibility. "Excessive salary increases in the business sector," said Bruno, "caused an unprecedented decrease in profits in this sector. And this decrease was exacerbated by the increase in taxes in the business sector."

Inflation: It is still high and must be brought down to 10 percent a year. "This is an attainable goal if a stable rate of exchange can be established." A stable rate of exchange can be maintained if salaries are stabilized. The compensation given to employers by giving them back the national insurance payments cannot be repeated.

Budget Surplus: On the other hand, dramatic accomplishments in 1986, including lowering inflation to 20 percent and sustaining the substantial improvement in the balance of payments, have created a surplus in the government budget for the first time in 15 years.

Decrease in Savings and Balance of Payments: On the other hand, the sharp decrease in private savings, i.e., the sharp increase in private consumption, caused a deterioration in the commercial balance, which is continuing this year. According to Bruno, only the flow of funds from abroad, which is in part temporary, prevented an immediate negative influence on the overall balance of payments.

Increase in Consumption and Growth: There was an increase of 14 percent in consumption in 1986 and an increase of 44 percent in the consumption of durable goods. Bruno disagrees with the opinion of the writers of the report that the source of this increase in consumption was the increase in salaries. "This was the result of an increase in income, based entirely on hired labor." Bruno also points positively to the noticeable acceleration in economic activity in 1986 and an increase in productivity, trends which will apparently be continued this year as well.

The Lavi: The decision about the future of the Lavi is the most important item since the economic program of 2 years ago. "It will determine the outlook for industrial development for the next 20 years. The project must be examined from the point of view of its worth for the entire economy as opposed to its advantages for this or that sector."

Interest: There was a sharp drop in interest rates. Real annual interest on revolving accounts, for example, dropped from 100.4 percent in 1985 to 31.1 percent in 1986. What allows for the drop in interest, the Bank of Israel people say, is the restriction on credit. "But there is no escaping drops in the interest rate in response to the pressures of demand," said the governor of the Bank of Israel.

Settlement Shares: The main problem is the form of control within the banking system after the government receives settlement shares. In the long run, it is not good for the government to run the banks, and their ownership ought to be in the hands of private business concerns.

Taxes: Every tax reduction must be accompanied by a broadening of the tax base by canceling tax exemptions and reducing government support. A special committee will deal with continued tax reform.

Banks: Freeing fees from supervision will contribute to the profitability of the banks, which dropped this year.

Security: There was a drop of 4.4 percent in local security consumption. Purchases by the defense system from factories dropped 9 percent as compared to a 2 percent drop in the 2 previous years.

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FADLALLAH COMMENTS ON 'STAGNATION,' AMERICAN-SYRIAN RAPPROCHEMENT

Beirut MONDAY MORNING in English 13-19 Jul 87 pp 14-16

[Article by Nadim Abou-Ghannam]

[Text] There seems to be no exit from the present impasse in the Lebanese political situation, since the principal players on the scene seem unable to move freely to work for a solution, according to Sayyed Mohammad Hussein Fadlallah.

Sayyed Fadlallah, a leading Shiite cleric who is close to Hezbollah (the Party of God) told *Monday Morning* last week he believed the present Lebanese political stagnation would continue even after our next presidential election in 1988, because Lebanon's crisis was not merely a Lebanese affair but also bound up inextricably with regional factors such as the Gulf War and the oft-mooted international Middle East peace conference, which he believed was unlikely to meet before the 1990s.

In a reference to the projected «Front for Unification and Liberation», which Syria is pressing its Lebanese allies to join, Fadlallah expressed the view that the key to liberation was the struggle against Israel, on both the internal and external levels, because Israel was the «whole problem» in the present political context, and the «whole danger in the region». He ruled out the possibility of a unified strategy in view of the present differences in political viewpoints.

The issue of the entry of Syrian troops into the southern suburbs of Beirut, Fadlallah told me, «is a complex political issue», one he did not intend to discuss in the facile manner in which it was treated by the media. It was an

integral part of the whole local and regional political context, he said, and could not be discussed in isolation. He added that it would be premature to adopt a stand on how a possible entry of Syrian troops might be dealt with. It was understandable, Fadlallah said that «following its political defeats», Washington should wish to improve its relations with Syria, which was a factor of weight in the region. But a possible Syro-American rapprochement would not negatively affect relations between Damascus and Teheran, which were determined by many factors other than Syria's relations with the U.S.

Fadlallah saw no reasonable hope in the near future of ending the Gulf War, a struggle which exceeded in its complexity even the Palestinian issue, and one which in any case the two superpowers had no interest in ending.

Sayyed Fadlallah declined to respond to questions we wished to put to him regarding the issue of foreign hostages held in Lebanon.

Here is a translation of the interview, which was conducted in Arabic :



How long will the political stagnation in the country continue? What is the way, out in your opinion?

I notice that this political stagnation has not arisen from local reactions on the basis of internal issues, over which the parties disagree on political and

administrative reforms. But this stagnation is produced by regional and international issues which are not bringing anything new, along with their interaction on the Lebanese scene. The problem is, how can these issues interacting on the regional level make any progress, or even be resolved to give momentum to the Lebanese situation? Claiming that the Lebanese issue is based on the outcome of the investigation into (Premier Rashid) Karami's assassination, is a way of giving this matter a local dimension to achieve some influence or excitement on the popular level so that people will start feeling that there is an internal, sensitive cause awaiting a solution before they start discussing any future move. I imagine that the issue is far deeper than that, and therefore I see no outlet from this political stagnation, due to the fact that total paralysis prevalent on this issue is hindering any solution.

Probably, there may be regional impotence regarding this issue. On this basis, I do not see any glimpse of hope for an exit from this deadlock.

I your view, is there a specific timing for the end of this stagnation? Can we say that it may continue until 1988, or would it end before that?

I have a feeling that there is a sort of prolongation even after 1988, because of the complexity of the Lebanese issue with the regional developments, which links it to the international conference on one side, and the Gulf War on the other.

In the light of this answer, when do you expect an International conference to convene?

I do not see any imminent hope for convening an international conference for the time being. The 1990s might witness its convening.

What is your comment on the formation of the «Front for Unification and Liberation?»

In Lebanon, we look for a unified stand regarding all vital issues, whereby everybody will react on the basis of a unified strategy towards all major issues, foremost of which is

liberation, to which everyone heads to confront the Israeli presence on the internal and external scenes.

This issue is the vital, political one, because Israel, in our opinion, poses a global regional threat and is the whole problem in many political aspects in Lebanon.

However, I do not imagine any possibility for any unified strategy, along with the prevailing difference in political viewpoints and in the constant change in positions on the internal and external levels. We do not question the reality of the fronts with respect to the Lebanese political issue, although we would like to see everybody succeeding in having a sort of seriousness in such matters. We always question why the fronts are formed in response to a certain event, and not as acts in themselves. Whenever any front is formed as a response, this means that it is of a temporary nature and not a deep-rooted way of tackling a problem.

Some political analysts say that the Syrian troops may enter the southern suburbs. What is your stand, in case this entry takes place?

I think that this is a complex political issue related to a number of local and regional positions, and not a security issue that can be discussed in the way it is discussed for «public consumption».

This issue is being worked out on the ground, and therefore, I do not want to discuss it in the facile way in which the media treat it, either negatively or positively. I believe that this issue is subject to the nature of the political atmosphere and the nature of the local and regional issues and changes. This is why it is not easy to take a sharp stand in this respect, because it is not separated from its objective circumstances. I rule out the possibility of such a plan in the visible future. Adopting a stand on how we should confront this issue is premature, because it requires an understanding of the nature of the events.

In view of the American - Syrian rapprochement, what will be its

repercussions on the region and on the Lebanese issue ?

This rapprochement constitutes a new phenomenon in the course of the regional and international moves. We have noticed recent regional activity in this direction from a number of Arab rulers and officials and from a number of European and international moves to reach this end. Thus, we consider the American - Syrian dialogue as a natural matter with respect to what the United States believes to be a political necessity for communicating with effective forces in the region, in view of its political defeats.

As for what may happen, I do not think there are miracles in the regional and international developments that can quickly change the course of events in a miraculous way. I believe there is a sort of political balance on the international level and a sort of new proposals on the regional scene, which may prevent extraordinary developments. We should wait to know the nature of these meetings and the nature of their political outcome, before judging developments that may erupt on the regional political scene.

Do you think the American - Syrian rapprochement will affect the relations between Iran and Syria ?

I do not imagine the relations between Iran and Syria to be so fragile that relations with America may greatly affect them in a negative way. But it is quite natural that the change in political relations have either positive or

negative effect, in accordance with the conditions and counter-conditions a rising in this respect.

We know that the Islamic policy in Iran moves in the direction of international conditions exactly as the regional politics are moving. There are no fixed and stable positions. We should follow up the course of developments in political relations here and there and the nature of the proposals submitted by one party and another, within the framework of the overall political game. It is very difficult for a regional state to ascertain, or reshuffle, the cards it controls easily before it recognizes the nature and importance of any new policy it will adopt in reaching decisive political outcomes on the level of clarifying stands on vital issues.

Reports are circulated concerning a superpowers' consensus to end the Gulf War. Do you believe this is possible, and how ?

I do not think there is any ground for talking of a so - called «superpower» consensus to stop the Gulf War. In fact, there is an interest in freezing certain positions.

This may take place through sabre - rattling on one side, and through a reaction to this, on the other. I imagine that the Gulf War is one of the issues that exceeds in its international complications even the Palestinian issue, and therefore, I do not see any reasonable hope for ending it, at least in the near future. ●

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CSO: 4400/255

INTERIOR MINISTER COMMENTS ON INTERNAL SITUATION

London AL-HAWADITH in Arabic 17 Jul 87 pp 14-15

[Interview with 'Abdallah al-Rasi by William Dahir: "New Front Will Liberate and Unite Lebanon"; in Ihdin, date not specified]

[Text] Interior Minister Dr 'Abdallah al-Rasi stressed that he could not but support the Liberation and Unification Front whose name is an indication of its goals," explaining that "many Christian personalities will surely join this front or else it will lose its purpose."

Asked if this front will meet the same fate as the "National Salvation Front" and all other fronts Lebanon has known during the war, he said that the "Salvation Front accomplished its objective of abrogating the 17 May agreement and this front will accomplish two key objectives: unification and liberation."

The interior minister did not expect the cabinet to convene before the end of President Amin al-Jumayyil's term, confirming that "the resumption of the Lebanese-Syrian talks will not take place before the case of Rashid Karami's assassination is solved or at least not before the government undertakes a political action to bring about a change on the ground toward this end."

Minister al-Rasi warned that "the political deadlock, if allowed to persist, will certainly lead to a social disaster more serious than a military flare-up about which he denied having any information of it happening at the present time.

About the issue of foreign hostages in Lebanon, he said: "It may not be resolved before the presidential elections in the United States."

The significance of such talk lies in the fact that it portrays--based on its proponent's spontaneity--the truth of many matters that need to be clarified in the throng of developments in the Lebanese arena, particularly following the assassination of premier Rashid Karami. Everything in Lebanon is being run by proxy, be it the resignation of the cabinet headed by acting-premier Dr Salim al-Huss or be it the value of the Lebanese pound whose fate is also being determined by proxy, for it is being substituted by currencies of every kind and variety.

Minister 'Abdallah al-Rasi is known for his honesty and clarity and for shunning allegories and equivocations at a time when equivocation has become the language of most politicians in Lebanon.

Moreover, Minister al-Rasi's statements includes areas worth pondering perhaps because they are pronounced by the minister himself who is supposed to keep pace with conditions and developments in the country.

Add to that the fact that Minister al-Rasi is in close touch with the situation and with what is happening behind the scenes of the Lebanese opposition as well as with the consultations that are under way in Damascus. All this is happening amid the throng of developments and changes in Lebanon and the region, particularly in the thick of an unusual event, namely the American opening to Syria which diplomatic sources emphasize is a result of the recent American-Soviet rapprochement over the Middle East crisis and the gulf war. Minister al-Rasi seemed skeptical, however, about the credibility of American policy toward the proposed solutions to the region's problems and believes that America "undertook this step only because it was aware that Syria had adopted positions that could not be ignored for it has made and is still making sacrifices for the sake of regaining and consolidating the Arab right.

Talking with Minister 'Abdallah al-Rasi has a special flavor and special dimensions, so AL-HAWADITH went to his summer residence in Ihdin, seeking to clarify many urgent matters that have been raised.

Our interview with the interior minister came at a time when preparations in Tripoli and neighboring Ihdin were in full swing for the 40th day ceremony for the late Rashid Karami and while the opposition was getting ready to announce the "Liberation and Unification Front." Therefore, we had to begin our questions with inquiries about this front whose objectives and course were explained to us by Minister al-Rasi. Following is the text of the interview with interior minister Dr 'Abdallah al-Rasi:

[Question] Your excellency, do you plan to join the soon-to-be-announced "Liberation and Unification Front" and do you expect other Christian personalities to join it as well?

[Answer] The name of this front, which will be announced soon God willing, is an indication of its objectives. Can I afford not to support it, I who believes that Lebanon's only salvation lies in the unity of its people and the liberation of its land from the Israeli enemy? Certainly, many Christian personalities will join this front or else it will lose its meaning.

[Question] But your excellency, it is being alleged that the "Liberation and Unification Front" will meet the same fate as its predecessors, the National Salvation Front and all other fronts Lebanon has known throughout the war. What do you think?

[Answer] The Salvation Front accomplished its objective of abrogating the 17 May agreement and this front will accomplish the two main purposes for which it was formed: unification and liberation.

[Question] Let us go on to the governmental situation and interrelations. Do you expect a cabinet meeting to be held before the end of the current regime?

[Answer] Based on the current realities, I do not expect any cabinet meeting before the end of the regime. Everyone knows that before the assassination of Premier Rashid Karami the cabinet meeting was contingent on a national conciliation. Now, and until the perpetrators and their cohorts are caught and punished, even the possibility of a cabinet meeting cannot be considered.

[Question] Do we understand from what you say that the resumption of Lebanese-Syrian talks may not be imminent and that the political deadlock will be the order of the day and, therefore, remain unchanged?

[Answer] These talks will not be resumed before the assassination of premier Rashid Karami is solved or at least before the government undertakes a political action to effect a change toward this end.

[Question] In light of current conditions and whatever information you may have, how do you describe the relationship between Presidents Amin al-Jumayyil and Hafiz al-Assad and do you expect the ice to be broken soon between the Ba'abda and the Muhajirin palaces?

[Answer] The first part of your question ought to be addressed to the two presidents. As for breaking the ice, I gave you my answer when I said that that depended on what President al-Jumayyil might do.

[Question] Let us return to the matter of premier Rashid Karami's assassination. As far as you are concerned, do you support the resumption of investigations and do you believe that premature indictments help to clear the case and solve the mystery?

[Answer] From a legal and procedural point of view, let's not second-guess judicial investigations. This crime, however, goes beyond judicial investigation. It is a political crime aimed at the nation's entity and unity. In this respect, every politician has the right to express his opinion on the subject.

[Question] Speaking of judicial investigations, it has been rumored that judicial investigator Walid Ghamrah asked you for protection. Is this true and will you respond to his request by providing protection for him?

[Answer] It is the duty of the Ministry of Interior to provide protection for all citizens. Unfortunately, however, our available capabilities do not allow us to fulfill these wishes and carry out our duties fully. There are those who perform functions that require special protection and we are always ready to provide it.

[Question] There is much talk about possible military flare-ups, possibly from the north, according to certain speculations. What do you think?

[Answer] At present, I do not have any knowledge of or information on possible military flare-ups. My concern presently is the economic slump and the human tragedies that it entails. This deadlock, should it continue, will certainly lead us to a social disaster more serious than a military flare-up.

[Question] There is a new subject, namely American opening to Syria. What in your opinion are the implications of this move with regard to the Lebanese situation?

[Answer] The question being raised now is whether the United States has changed its policy which is totally biased toward Israel and whether the American administration is applying the principles of justice and fairness to find solutions conducive to achieving lasting peace in the Middle East.

If this is the case, I expect nothing but good things from this opening. But America undertook this step only because it realized that Syria had adopted positions that could not be ignored and Syria has and still is making sacrifices for the sake of regaining and consolidating the Arab right.

[Question] From your position as interior minister, how do you assess the security situation in West Beirut?

[Answer] This area of Beirut is enjoying excellent security, notwithstanding plots to destabilize it. I wish that the press would go to the streets to ask the people about this situation. Suffice it to say that the people do not have to pay protection money anymore and that their dignity has been preserved. It is enough for me to say that all government and official institutions are under the protection of the legitimate authority and no one dares to assault or to prevail over them.

[Question] So long as we are talking about security, there is an important issue which is the foreign hostages in Lebanon. In your opinion, and based on whatever information you may have, what are the possibilities of releasing the hostages and do you expect an end to this problem soon?

[Answer] The issue of the foreign hostages is a regional and international one and may not be resolved before the presidential elections in the United States.

[Question] What, in your opinion, are the implications of the gulf war developments, be they positive or negative, on the situation in Lebanon?

[Answer] If this war is brought to an end, conditions in Lebanon and the entire region will improve. Its continuation will reflect negatively on us and the region. Hence all Arab officials must work toward putting a stop to this dangerous hemorrhage.

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LOCAL ISLAMIC GROUPS REFLECT FRANCO-IRANIAN DISPUTE

Beirut MONDAY MORNING in English 27 Jul-2 Aug 87 p 7

[Text] The pro-Iranian Hezbollah (Party of God) said France's decision to cut ties with Iran was part of an international plot against Islam and would be confronted by Moslems awaiting orders from Iranian leader Ayatollah Ruhollah Khomeini.

«This is not just a cut in diplomatic ties but part of an international arrogant scheme by America and the Zionists against the spirit of Islam which has succeeded in confronting the great satans,» a Hezbollah statement said.

The statement, delivered to media organizations in Beirut, said Iran «will not be alone in confronting this Zionist scheme and the universe will see united Moslems defending Islam and awaiting orders from Khomeini.»

Iran and France severed diplomatic relations on July 17, and Iran said on July 18 that French diplomats in Teheran would be arrested as spies because they had helped Iranian counter-revolutionaries.

Shi'ite sources say Hezbollah, Iran's closest ally in Lebanon, holds some of the 29 foreigners missing, believed kidnapped in Lebanon, including seven French nationals.

Hezbollah denies any link to the abduction of foreigners.

The diplomatic break between Iran and France has heightened fears for the lives of the French captives, some of whom are held by pro-Iranian radicals demanding changes in French Middle East policy.

France is a major arms supplier to Iraq, Iran's war enemy. Baghdad

newspapers reported the French decision to break with Teheran under big headlines on July 18.

THREATS: «The French hostage issue has entered a very complicated phase,» Lebanon's conservative *An-Anwar* newspaper commented. «No one knows if the new development will help settle the issue or bring the end for the hostages.»

An anonymous caller claiming to speak for the clandestine Islamic Jihad (Holy War) told international news agencies in Beirut on July 17 that the group would kill two French hostages —diplomats Marcel Carton and Marcel Fontaine who were seized in March 1985. It was not possible to verify the claim.

Witnesses said French troops guarding the French embassy in West Beirut were on alert, wearing flak jackets and pointing automatic rifles out of sandbagged positions.

«We are not afraid. We don't have any new security measures,» said one French soldier as he stepped out of the embassy compound to talk to reporters in the street.

Islamic Jihad has also claimed responsibility for the May 1985 kidnapping of two other Frenchmen, journalist Jean-Paul Kaufmann and Arabist researcher Michel Seurat. The group later said it had killed Seurat.

Also missing are French television technician Jean-Louis Normandin,

whose abduction in March last year was claimed by a group calling itself the Revolutionary Justice Organization, photo - journalist Roger Auque and Florence Raad, a Franco - Lebanese journalist.

No group has claimed the kidnapping of Auque or Raad.

MORE THREATS : Two pro - Iranian Lebanese groups joined the Teheran - backed Hezbollah (Party of God) militia in threatening France over its decision to sever ties with Iran.

Statements supporting Iran from Islamic Amal and the Group of Moslem Clergymen were published in Beirut newspapers.

«France shoulders the complete responsibility... This makes all its embassies and interests subject to danger at any place that hands of Moslems can reach,» the Group of Mos'lem clerics said.

The group includes pro - Iranian Shi'ite and Sunnite clergymen from Beirut and South Lebanon.

Islamic Amal, a Shi'ite group that works with Iranian Revolutionary Guards in East Lebanon's Bekaa Valley, said : «We consider ourselves responsible for confronting the French decision and retaliating to it.»

PRECAUTIONS : In South Lebanon, Timor Goksel, spokesman for the United Nations Interim Force in Lebanon (UNIFIL), said the nine - nation force had taken no special precautions to protect its 520 French soldiers based at UNIFIL headquarters in Nakoura.

«We are aware of the situation but there is nothing special for the French contingent. They are going on with their work and local missions» he told Reuters by telephone from UNIFIL headquarters.

In Paris, a spokesman for the French Foreign Ministry said France was reserving judgement on the authenticity of the threat against Carton and Fontaine.

He said the telephone call had to be taken seriously but added that previous statements by the Islamic Jihad includes photographs or other direct evidence of the group's captives.

In a radio interview with French radio, the First Secretary of France's embassy in Beirut voiced doubts about the threat.

«Anyone can phone up a western news agency in Beirut to announce any catastrophe,» said diplomat Gilles Tinieres ●

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IRANIAN FUNDAMENTALISM ADVANCES STEADILY

Beirut MONDAY MORNING in English 27 Jul-2 Aug 87 pp 10-11

[Article by Diana Abdallah, Reuters]

[Text] Posters of Iranian leader Ayatollah Ruhollah Khomeini adorn the hospital wards, nurses work in black «chador» shawls and Islamic revolutionary songs blare from the paging system.

The 24-bed «Imam Khomeini» hospital in Baalbeck east Lebanon town, built for Iranians but now open to all, is financed and run by the Islamic Republic of Iran.

«Lebanon is like the son of Iran. It is part of Iran and we have to help the Mos ... Lebanese people,» says hospital director Akbar Manaki.

Mahaki is one of some 500 Iranians administering what some people see as an Iranian state-within - a - state in Lebanon with a budget of five million dollars a month, Shiite Moslem sources say.

It is a territory without borders but Iranian fundamentalism is advancing steadily among Lebanese Shites estimated to number 1.3 million, the largest sect in a population of some three to four million.

Although Iran has centuries-old religious links with the Shites, significant intervention in Lebanon dates only from 1982, in direct competition with Israel, the United States, France and even Iran's regional ally Syria.

Diplomats say Iran's efforts in Lebanon stem both from Shiite ideals and also propaganda needs, with Lebanon providing a stage for Iran's 1979 Islamic revolution to make an international impact.

Militants acting in Iran's name used suicide truck bombs to drive U.S. Marines and other Western forces from Lebanon. Most foreigners left Moslem areas in the wake of a kidnap campaign by pro-Iranian groups.

HEZBALLAH

Now the pro-Iranian Hezbollah (Party of God) militia, blamed for some kidnappings but which denies any involvement, is mounting an increasingly sophisticated offensive against Israeli troops in South Lebanon.

Much of Hezbollah's military training is done in two Iranian-run training camps near Baalbeck, 80 km northeast of Beirut, where Iranian Revolutionary Guards have been based since 1982.

But the guards usually stay out of sight in a heavily - protected old Lebanese Army barracks and a former hotel tucked away behind pine trees on the edge of the town.

Hezbollah men cruise the town in black or dark green Mercedes and BMW cars, with their trademark black curtains covering the windows.

Residents say they see the Iranians only when they drive their grey, Teheran registered Toyota land cruisers or when they join Hezbollah fighters for well-disciplined march-pasts that recall Iran's goose-stepping parades.

As in Iran, some units march with anti-chemical warfare equipment and a few Hezbollah fighters have even volunteered for the Iran-Iraq war, Shiite sources told Reuters.

BUILD UP

In five years, Hezbollah built up a force of more than 5,000 fighters and is now administered by a 12-man council reporting to the Iranian ambassador in Damascus. Mohammad Hassan Akhtari, a Shiite politician said.

Revolutionary Guards recently set up centers in at least three South Lebanese towns and are frequently reported by newspapers to act as mediators in local disputes.

«Iran's influence is growing because Iran is paying a lot of money, and also because of ideological links,» said Sheikh Murtada Najafi, a Shiite cleric of Iraqi origins.

Najafi, 27, works in the hilltop Bekaa Valley town of Mashgara, where Iranian money has had a major effect.

Land and buildings have been bought up by Hezbollah and the Iranians. Now only a few Christian families are left in what was once a town of 14,000 people with a Christian majority.

COOPERATION

«The cooperation with Iran is on all levels and we are ready to defend Iran in the same way as we defend Lebanon or Moslems... that is why they call us terrorists,» said Mohammed Bjalji, a Hezbollah leader in Mashgara.

The Iran-financed «Martyrs' Foundation» helps at least 400 families of Moslems killed in Lebanese civil conflict since 1975 or fighting Israeli troops in South Lebanon, said its Lebanese director, Sheikh Shawki Kanaan.

The foundation, with branches in most Moslem areas of Lebanon, spends about two million Lebanese pounds (12,000 dollars) a month on educating the children of «martyrs» and supporting visits to holy cities in Iran and Syria, he said.

It plans to open pharmacies, bakeries, a factory, a farm and a school, Kanaan added.

ISLAMIC REPUBLIC

Iran advocates an Islamic republic in Lebanon, but Hezbollah's spiritual mentor, Sayyed Mohammed Hussein

Fadlallah, says that can only be a long-term aim.

Hezbollah has managed to avoid large-scale conflict with the forces with which it shares territory. In line with its slogans that the fight with Israel and the United States must take precedence.

A subtle competition nevertheless exists between Hezbollah and the bigger Shiite Amal militia. Shites say the dividing line between the two is thin, with some families having members in both.

Started by Iranian-born cleric Musa Sadr in the mid-1970s, Amal is backed by Syria and has a nationalist stance rather than Hezbollah's Integrist Moslem universalism.

The most significant tactical difference between the two is that while Hezbollah is stepping up frontal assaults on Israeli forces in South Lebanon, Amal believes such attacks bring counterproductive retaliation.

But even when Amal recently confiscated a small Iranian-financed Hezbollah radio station in the Southern port of Tyre, no fighting was reported.

SYRIA

And although Hezbollah has clashed this year with troops from the 25,000-man Syrian Army garrison in Lebanon, so far there has been no extended open conflict.

Syria, however, clamped down on Iranians and Hezbollah in the Bekaa after the June 17 kidnap of U.S. newsman Charles Glass near a Syrian checkpoint in a Shiite area of Beirut.

The Shiite sources said the kidnap angered Syria «but since it does not want to strain its ties with Iran by hitting Hezbollah it is just trying to limit them in the Bekaa.»

Syria's coordinator with Hezbollah is now Ayad Mahmoud, a former chargé d'affaires in Teheran where he was kidnapped by armed gunmen last October and released a few days later, the sources added.

But travellers say there is little apparent tension between the two forces and neither Hezbollah nor the Iranians carry guns when they move through Syrian-controlled areas.

In Baalbeck, Iranian flags are everywhere, Khomeini posters are pasted to walls and shops even stock a perfume called "Allahu Akbar" (God is Great).

But despite Iran's Islamic strictures against alcohol, wine and whisky are still served in a Syrian - protected restaurant opposite the Revolutionary Guards barracks. ●

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ECONOMIC CRISIS BREEDS DESPAIR, STEPS UP PROTEST

Beirut MONDAY MORNING in English 27 Jul-2 Aug 87 p 8

[Text]

A despairing Lebanese family offered children for adoption in Europe last Thursday as the once-prosperous Lebanese united in a strike the same day against poverty and inflation.

Witnesses said the one-day protest, called by the General Labor Confederation (GLC), was observed in Moslem and Christian areas and closed schools, banks, shops, public and private institutions and Beirut airport.

The Lebanese economy has been hit by a crisis of confidence amid deadlock over political reforms to end 12 years of civil war.

Fayez Awarki, a 38-year-old bank employee, grimly told reporters that he and his wife wanted their three children to be adopted because life was too difficult in Lebanon.

«They are prisoners of war... they only think of terror and fear. It is very important for my children to leave this country to any European country where the value of human life is important,» he said.

Mrs. Siham Awarki, 28, said she preferred to live away from her children rather than watch them go hungry and perhaps be hurt in violence.

The Awarkis said their decision was not linked to the strike but came after failing to emigrate and being unable to increase the husband's 7,000-pound (41-dollar) monthly salary.

Six-year-old Ahmed Awarki, who played on a small electric organ, said he wanted to leave their

bullet-pocked squatters' residence on the Moslem side of Beirut's "green line" divide.

"Life is ugly because of the war," Fayez Awarki told Reuters. "I want to go to a country where there are birds and a happy life."

The Awarkis are the third family known to have offered to give way or sell children in Lebanon in the past nine months. In a fourth case, a woman was criminally charged for selling her three children to a British family.

The GLC, in calling its third strike this year, said the inflation rate was now more than 200 per cent a year and warned that it would step up disruptions if nothing was done.

About 500 people marched through West Beirut, shouting slogans against high prices. They were led by children carrying bread and empty powdered milk tins.

The cheapest 400-gram tin of powdered milk now costs 600 pounds (3.25 dollars). About one-third of the people are out of work and the minimum salary is 4,300 pounds (27 dollars) — or seven tins of milk.

Lebanon imports 80 per cent of its needs and, since the war began, the average annual salary has fallen from 5,300 to about 600 dollars.

GLC Chairman Antoine Bishara told reporters: «We will not accept things staying as they are... today's strike is a last warning to officials to meet the demands of workers before it is too late.»

The GLC demands an «economic and social salvation plan,» salary

reviews and the protection of the Lebanese pound against foreign currencies. The pound held most of its dollar value from 1975 to 1984 but has since declined by 97 per cent.

Acting Prime Minister Salim Hoss has blamed Lebanon's economic crisis and inflation on a mounting Treasury deficit.

An independent study said the state needs some 130 billion pounds (765 million dollars) this year but is expected to collect only five billion pounds (30 million dollars)—a 96 per cent shortfall being met mainly by printing money.

Beshara said the GLC would resort to open strikes, sit-ins and demonstrations if its demands were not met.

The pound has lost over 53 per cent of its dollar value this year, fuelling inflation not seen in Lebanon for decades and estimated by the GLC at 101 per cent in the first half of the year. ●

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MOROCCO

NEAR EAST

HARVEST ESTIMATES FOR CEREAL CROPS REVIEWED

Previous Years Comparisons

Casablanca LA VIE ECONOMIQUE in French 19 Jun 87 pp 16, 17

[Headline: "The Cereal Harvest: 39.85 Million Quintals. Average yields: 8.1 quintals/hectare compared to 15.1 in 1986. Hard wheat 10.4 million quintals, soft wheat 12.3 million quintals, barley 15.4 million quintals, maize 1.8 million quintals"]

[Text] Unlike the previous season, the 1986-1987 agricultural season experienced rather unfavorable climate conditions.

According to figures provided by the national meteorological service from 21 observation stations (Table 1), the main climatic features of the 1986-1987 season can be summarized as follows:

Average rainfall for the whole country decreased by 31.7 percent compared to the previous year (308.9 mm compared to 452.2 mm), and by 13.5 percent compared to the average of the last 10 years (308.9 mm compared to 357 mm).

In regard to its timing, the following should be noted:

--The amount of the early rain (September-October). In fact, rain recorded in September was 52.6 percent more than last year (17.3 mm compared to 8.2 mm) and 62.4 percent more than the average of the last 10 years (17.3 mm compared to 6.5 mm), and rainfall in October was an 87-percent increase over last year (23.1 mm compared to 3.0 mm).

--The very general and substantial rain shortage in March and April.

--On the regional level, the provinces of Oriental, unlike the previous years, received relatively good rainfall, while the central provinces such as Safi, Essouira, Marrakech and El Kelaa had a significant shortage.

The results of the harvest forecasting study for the four main cereal crops (hard wheat, soft wheat, barley and maize) during the 1986-1987 agricultural season are as follows: area: 4,902,100 hectares; yield: 8.1 quintals/hectare; production: 39,850,700 quintals.

In comparison with the preceding agricultural season, 1985-1986, these figures represent a decrease of 3.4 percent in area; 46.2 percent in yield; and 48.1 percent in production.

In relation to the average for the five previous seasons, 1981-1985, these results represent an increase of 11.5 percent in area, and 4.2 percent in production; and a decrease of 6.6 percent in yield.

In comparison to the average for the 3-year period 1978-1980, they represent an increase of 12.7 percent in area, and a decrease of 18 percent in yield and 7.6 percent in production.

In comparison to the average of the last 10 seasons, they represent an increase of 9.5 percent in area, and a decrease of 14.5 percent in yield and 6.4 percent in production.

Hard Wheat

The results of the forecast study of the hard wheat harvest for the 1986-1987 season are as follows: area 1,091,500 hectares, yield 9.5 quintals per hectare, production 10,368,700 quintals.

In comparison to the previous agricultural season, 1981-1985, these results represent a decrease of 8.4 percent in area, 42.8 percent in yield, and 47.7 percent in production.

In comparison with the average for the five seasons of the 5-year plan 1981-1985, these results represent a decrease of 5.8 percent area, 4.5 percent yield, and 10.1 percent production.

In comparison to the average of the 3-year plan 1978-1980, they represent a decrease of 12.3 percent area, 13.1 percent yield, and 23.7 percent production.

In comparison to the average of the last 10 seasons, they represent a decrease of 9.9 percent area, 10.5 percent yield, and 19.4 percent production.

Soft Wheat

The results of the forecast study of the soft wheat harvest during the 1986-1987 agricultural season are as follows: area 1,130,100 hectares, yield 10.9 quintals/hectare, production 12,313,700 quintals.

In comparison to the previous season 1985-1986, these results represent an increase of 9.3 percent for area and a decrease of 38.4 percent for yield and 32.6 percent for production.

In comparison to the average of the five seasons of the 5-year plan 1981-1985, these results represent an increase of 75.4 percent for area and 69.8 percent for production, and a decrease of 3.2 percent for yield.

In comparison to the average of the 3-year plan 1978-1980, they represent an increase of 143.7 percent area, 7.9 percent yield, 162.9 percent production.

Four Main Cereal Crops
 Change in Area, Yield and Production
 In the Period 1975-1976 to 1986-1987

<u>Season</u>	<u>Area in 1,000 hects</u>	<u>Yield in quints/hect</u>	<u>Production in 1,000 quints</u>
1975-76	4470.9	12.4	55418.0
1976-77	4670.1	6.0	28169.0
1977-78	4536.6	10.1	45930.0
1978-79	4239.9	9.4	39942.1
1979-80	4275.5	10.2	53533.8
1980-81	4236.6	4.8	20209.0
1981-82	4132.4	11.5	47640.3
1982-83	4561.3	7.6	34562.9
1983-84	4365.4	8.4	36580.7
1984-85	4677.1	11.2	52205.6
1985-86	5073.0	15.1	76787.1
1986-87	4902.1	8.1	39851.0
3-year average 1977-78/1979-80	4350.7 12.7	9.9 - 18.0	43135.3 - 7.6
5-year plan average 1980-81, 1984-85	4394.6 11.5	8.7 - 6.6	38239.5 4.2
10-year average 1977-86	4476.8 9.5	9.5 - 14.5	42556.0 - 6.4
Preceding season 1985-1986	5073.0 - 3.4	15.1 - 46.2	76787.1 - 48.1

Forecast Estimates of Area, Yield, Production

Cereal Crop

Hard wheat	1091.5	9.5	10368.7
Soft wheat	1130.1	10.9	12313.7
Barley	2311.3	6.7	15375.5
Maize	369.2	4.9	1793.1
TOTAL	4902.1	8.1	39851.0

Barley

The results of the forecast study for the barley harvest during the 1986-1987 season are as follows: area 2,311,300 hectares, yield 6.7 quintals/hectare, production 15,375,500 quintals/hectare.

In comparison to the previous season, 1985-1986, these results represent a decrease of 6.5 percent area, 53.8 percent yield, and 65.8 percent production.

In comparison to the average of the five seasons of the 5-year plan, 1981-1985, these results represent an increase of 5.7 percent area and a decrease of 14.9 percent yield and 10 percent production.

In comparison to the average of the 3-year plan 1978-1980, they represent an increase of 3.4 percent area, and a decrease of 30.6 percent yield and 28.2 percent production.

In comparison to the average of the last 10 seasons, they represent an increase of 3.1 percent area and a decrease of 24.9 percent yield and 22.6 percent production.

Maize

The results of the forecast study of the maize harvest during the 1986-1987 season are as follows: area 369,200 hectares, yield 4.9 quintals/hectare, and production 1,793,100 quintals.

In comparison to the average of the five seasons of the 5-year plan 1981-1985, these results represent a decrease of 6.8 percent area, 18.4 percent yield, and 24 percent production.

In comparison to the average of the 3-year plan 1978-1980, they represent a decrease of 9.3 percent area, 40.8 percent yield, 41.5 percent area, 42.7 percent yield, and 48 percent production. [figures as published]

In comparison to the average of the last 10 seasons, they represent a decrease of 7.7 percent area, 28.1 percent yield, and 33.7 percent production.

Factor of Rainfall

Casablanca LA VIE ECONOMIQUE in French 29 May 87 p 9

[Text] There is some unfortunate information circulating in regard to estimates of this year's harvest. According to some, it will be 50 percent less than the 1986 harvest, or some 38 million quintals.

It is always difficult to judge the size of a harvest, because the results vary from one area to another, often to substantial degree, depending on rainfall and the areas sown with cereal crops. The Ministry of Agriculture has prepared statistics comparing the rainfall during the 1986-1987 agricultural season with the average for the last 10 years. However, these latest figures are in turn affected by the drought that has prevailed since that period, and the statistics thus lose their basic reference character. Thus, the average precipitation for this season was 308.9 mm, while the average for 1976-1986 was 357 mm for the period September to the end of April.

On the other hand, if one compares the precipitation of 1986-1987 with that of 1984-1985, a season that yielded 55 million quintals, one notes the following differences for the period September to March.

	1985	1987
Tétouan.....	311	392
Oujda.....	126,5	115,8
Beni Mellal.....	256	233,9
Midelt.....	67,8	56,4
Tanger.....	523,4	497,7
Al Hoceima.....	994	227,6
Nador.....	195,8	257,5
Rabat.....	387,7	371,4
Kenitra.....	503,8	395,3
Fès.....	232	361,1
Meknès.....	256,4	363,2
Ifrané.....	487,1	525,8
Taza.....	316,5	507,2
Casablanca.....	334	267,1
Safi.....	412,6	133
Agadir.....	263,7	165,5
Larache.....	505,7	458,8
Marrakech.....	179,1	119,4
Essaouira.....	356,5	108,9
Ouarzazate.....	69,7	115,8

What conclusions can be drawn from these figures? It is necessary, first of all, to take into account the time distribution factor.

1. The rainfall was average in November, but adequate for sowing and working the soil.
2. There was a second period of rain in January and February, with very low precipitation in March.

In short, the question is whether this last rain was adequate. Once again, we get back to the eternal question of early and deep working. This year, the preparation of the soil was conducted very actively, and in March we saw magnificent fields of grain in the Meknes area, with the grain already very high.

By contrast, in the "traditional" sector the too-late sowings suffered from the dryness in March and April.

Nevertheless, in comparison to 1985 we note the following:

Larger rainfall at Tetouan, Al Hoceima, Nador, Fès, Meknès, Ifrané, Taza, and Ouarzazate.

Approximately the same rainfall at Oujda, Beni Mellal, Midelt, Tangiers, and Rabat.

Shortage of rainfall at Kenitra, Casablanca, Agadir, and Marrakech.

Very large decrease at Safi and Essaouira.

Thus, compared to 1985, the major production areas should not have suffered:
the North and Tadla.

Poorer results in Gharb, Chaouia, and Doukkala.

Clearly better results in the South and Sufi zone.

In order to calculate the results one must also know the area sown, which was
larger than in 1985 in the major production areas, but doubtless less
extensive in the South. Based on these parameters, the 1987 harvest should
thus be less than that in 1985, and about 48 to 50 million quintals.

Which is not so bad.

9920

CSO: 4519/125

TIMES EXAMINES CAUSES OF STRIFE IN DARFUR, BAHR AL-GHAZAL

Khartoum SUDAN TIMES in English 20, 21 Jul 87

[20 Jul 87 pp 2, 3]

[Article by Ushari Ahmad Mahmud and Suleyman Ali Baldo]

[Excerpts]

The massacre of Daien resulted in more than a thousand dead among the Dinka. It also resulted in the kidnapping and enslavement by some Rizeigat Arabs of an unknown number of Dinka children and young women.

The sheer magnitude of the carnage in Daien deserves an explanation that goes beyond the government's cynical rationalization of the massacre. The Prime Minister, Sadig Al Mahdi, said on BBC radio that the killing in Daien was carried out in revenge for an attack by the SPLA on Safaha, an area at least one day by lorry south of Daien. The Minister of Interior, Sid Ahmad Al Husein, and the Governor of Bahr El Gazal, William Ajal Deng, gave similar explanations. [BBC Radio June 2, Constituent Assembly proceedings June 20, Al Ayyam news-

paper June 14, respectively].

The government's explanations are tantamount to a cover-up, and are directed at deflecting attention from the role of government policy in the area in contributing to the massacre. Indeed, the government's explanation indicates its aversion to bringing to justice the murderers, who are known to it by name and those who perpetrated the massacre. Neither does the government intend to question the role and behaviour of its officials and the police during the massacre.

The massacre of Daien cannot be easily explained away as an isolated act triggered by a sudden desire for revenge. We have shown that it was pre-meditated, planned, and carefully executed.

The root causes of the massacre are the following:

First: government policy toward the Dinka, Misseriya, and Rizeigat in the area of ethnic interaction around Bahr Al Arab-Kiir, and government strategy in combating the SPLA.
Second: the emergence of armed banditry against the Dinka by the Rizeigat as a means of enrichment. Also

in the context of government policy toward the Dinka and the SPLA.

Third: the emergence of slavery as an institution with favourable conditions of reproduction in the context of government policy. Fourth: the exacerbation of religious and ethnic strife in Daien, and of inter-ethnic competition for resources and services.

The government has firmly introduced the Rizeigat ethnic group into its war with the SPLA. This has resulted in a disruption of the Rizeigat community. Armed banditry, involving the killing of Dinka villagers, has become a regular activity for the government-supported Rizeigat militias. Also linked with the armed attacks on Dinka villages is the kidnapping and subsequent enslavement of Dinka children and women. All this is practiced with the full knowledge of the government. Moreover, ethnic chauvinism among the Rizeigat is being fueled by the social changes related to the migration of thousands of drought-and war-affected people, the increasingly complex nature of the economy, the inter-ethnic competition over resources and services, local political animosities, class disparities, and generational strife.

The above social forces and phenomena have interacted and generated racist beliefs and hostile attitudes toward the Dinkas in Daien who numbered about 17 thousand. The massacre was the bloody materialization of those beliefs and attitudes. government policy was at the root of it all.

GOVERNMENT POLICY IN THE AREA:

In 1985, small units of the SPLA started to be seen in the area South of Bahr El Arab-Kiir. this was Dinka land. It was the year of the famine in the North. Several Rizeigat groups came that year and settled with the Dinka and were given land to cultivate near the villages of Ashoro, Maryal Bay, Ajok, and others. Dinka-Rizeigat relations had been cordial since the last conciliation accord in Babanusa in 1976. Their presence in the Dinka area was not disturbed by SPLA units.

However, the Transitional Military Council, which was then ruling the country devised a comprehensive strategy towards possible developments that might emanate from the SPLA presence in

the area. The strategy was based on the understanding that the Dinka in this area constituted the major potential support for the SPLA on the human, material, food, and information levels. It was thought that they would provide critical logistical support in bringing the war to the areas North of Bahr Al Arab. Consequently, it became essential, according to this rationale, to seek to undermine Dinka support for the SPLA in all its forms.

General Fadalla Burma Nasir, then a member of the TMC, was outspoken in his support of measures towards implementing this strategy. The issue was discussed in the newspapers. When Sadig El Mahdi became Prime Minister, he advocated this strategy in an even more vigorous fashion, albeit couched in intentionally ambiguous language about the need to "appreciate the inter-tribal situation in the area." Indeed, Sadig El Mahdi appointed General Fadalla Burma as State Minister for Defense.

The core of the strategy to undermine SPLA support in the Dinka area was to resurrect and fuel the historical Dinka-Rizeigat strife which was put to rest by the 1976 accord in Babanusa. Indeed the two

groups co-existed relatively peacefully and continued to interact with only minor individual conflicts.

The government's methods of forcing the Rizeigat, and also the Misceiriya to the East and into the War zone ioncluded the arming of the Miisseiriya "marahil" who were already armed, with more powerful guns and ammunition, and the establishment among the Rizeigat of armed militias.

This government policy, which we present in outline only, resulted in several attacks by the Rizeigat militias and the Misceiriya marahil on the Dinka villages South of Bahr Al Arab-Kiir.

Toward the end of 1985, the Dinka Chiefs in Awiel received information about an agreement between the Misceiriya and the Rizeigat to jointly attack the Dinkas South of Bahr Al Arab-Kiir. On December 21st 1985 the first attack took place. Armed groups of the Misceiriya and Rizeigat attacked and killed Dinka officers and soaldiers working in the game, police, and prison units at Ariath, 17 miles from Awiel. The Governor of Bahr El Ghazal at that time was General Albino Akol Akol, himself a Dinka. A small army unit chased away the attackers and returned the cattle stolen during the attack.

On January 12th 1986 large numbers of armed Rizeigat and Misceiriya attacked the Dinka villages of Maryal Bay, Nyamlel, Ashana, and several others. Reports stated that 612 Dinkas were killed, including the son of the Dinka Sultan Ring Lual Riing. A large number of cattle was taken, dura crops burnt, houses were also burnt down, and more than 700 children and women kidnapped.

Similar attacks continued through February 1986 and after until the SPLA deployed heavier forces in the area in May-June 1986. It was only then that Dinka villagers could cultivate food peacefully under SPLA protection.

Then a sudden attack by the Rizeigat militias occurred in January 1987. This time the Rizeigat were aided by some Fallata Umbararu. The attack was particularly devastating in Maryal Bay, Ashoro, and neighbouring villages. an unknown number of Dinka villagers, mainly men, were killed. Again food, homes, and property were burnt to the ground. Hundreds of children and women were kidnapped. We will illustrate later that these were taken as slaves.

In February 1987, large numbers of Rizeigat attacked the Dinka villages

for more cattle and slaves. This time they did not succeed because they were confronted by SPLA forces. They were defeated and suffered heavy casualties.

In mid March 1987, news reached the army in Nyala that the SPLA had been sighted near Safaha. Army units moved into the area and engaged in fighting with the SPLA. There are contradictory reports about this battle. However, it is known that in the following days the SPLA and the Rizeigat militias engaged in several battles. The Rizeigat were defeated and again suffered heavy casualties. Then SPLA forces returned South with large numbers of Dinka cattle which had previously been taken by the Rizeigat in their January 1987 attack. These were events at Safaha which the Prime Minister said were the cause of the Daien massacre.

The government has squarely introduced the Rizeigat [and the Mis-seiriya] into its war with the SPLA with the intention of undermining potential sup-

port for the SPLA amongst the Dinka. The results of this policy were mixed as far as government objectives are concerned. Large numbers of Dinkas were killed, or kidnapped for enslavement. Their cattle wealth was destroyed and their lives were completely disrupted. thousands migrated North to Daien, Nyala, Khartoum, and other towns. However, thousands also joined the SPLA. These were said to be the ones who attacked Safaha to get back their stolen cattle.

Such were the results of government policy at one level. At another level, this policy created certain distortions in the social structure and life of the Rizeigat community. These distortions are related to the emergence of armed and criminal banditry as a quick means of gaining wealth from the sale of stolen Dinka cattle; and to the return of slavery as an institution. These developments interacted with the upsurge of ethnic chauvinism in the Rizeigat community to generate an insidious psychic structure that made the massacre in Daien possible.

[21 Jul 87 p 3]

[Excerpts]

The government policy to support the arming of Rizeigat militias resulted in these militias conducting regular raids on Dinka villages to kill men steal cattle and property, and to kidnap children and women. Cattle robbery has become a quick means of enrichment for the Rizeigat militias.

Several Dinkas have told us that the bulk of their cattle had been stolen by the Misseriya and Rizeigat. They also gave us specific information relating to the involvement of government officials in the sale of their stolen cattle.

The stolen cattle has become a continual issue of contention between the Dinkas and the Rizeigat in Safaha, Daien, and in other villages in the area. There were newspaper reports of this strife in Khartoum itself. Some cases were taken to court. The stolen cattle were the focus of conflicts, fights, and complaints. Several Dinkas tried to take back their cattle located in Daien. Stolen cattle were also the reason why the SPLA attacked Safaha in order to get them back.

There are other cases of banditry unrelated to cattle which were also perpetrated by the armed militias. The perpetrators are known by name to some of the victims and their relatives.

Some eyewitnesses have provided us with the names of the militia members in Safaha. And they told us of their involvement in a gruesome attack on a lorry owned by a Dinka just outside Safaha. They provided us with the names of 30 Dinkas who were killed in that attack. This was in 1986. The burnt out lorry is stationed in the Daien police station today. No one was brought to justice for that attack.

Major Jieng Majok witnessed the attack by the Rizeigat militias on his village, Maryal Bay, in February 1987. And he described their banditry:

"These Rizeigat, when they came in February, they took our sugar. They took the clothes of women. They took every good piece of cloth, and everything that was good. Mattresses like this, they took. I saw all of this. They took my shirt.

"They took everything. They even took the cups with which we drink water."

Armed banditry is a new distortion in Rizeigat society. It was created by the government policy of arming militias and of failing to prevent them from attacking Dinka villages, not to mention the cynical encouragement of the attacks. The linkage between armed banditry and the Daien massacre is that beliefs have been generated in the Rizeigat consciousness that Dinka property and life are fair game and that there is no fear of government or legal reprisals against them.

SLAVERY IN THE RIZEIGAT COMMUNITY.

Slavery is another distortion in Rizeigat society. In the past there were indi-

vidual and isolated cases of slavery that were disguised and is not seen by the perpetrators as illegal in the context of the present government war policy. The kidnapping of Dinka children, young girls, and women, their subsequent enslavement, their use in the Rizeigat economy and other spheres of life, and the selling of them for money; all these are facts. The government has full knowledge of this. Indeed, the perpetrators of kidnapping and slavery are the allies of the government in the armed militias.

The reason why we are mentioning slavery in this report about the massacre is that some Dinka children and young girls were kidnapped during the massacre and are currently being held by some Rizeigat families in Daien. Moreover, the existence of slavery in the area has generated beliefs among the Rizeigat that a Dinka is somehow subhuman. All psychological barriers to exterminating Dinka have been broken down. That was what made the massacre in Daien possible, without fear of reprisals by the government whose representatives were present during the initial stages of the massacre.

While we were investigating the massacre,

some of the survivors told us that information has reached them that the children held by the Rizeigat in Daien are currently being sold, and that there are hundreds [some said thousands] of Dinka children and women currently enslaved by Rizeigat families in villages and towns whose names they provided. They gave us many names of relatives currently living in slavery. Some gave the names of the individuals holding them as slaves. They also told us that they have complained to government officials and to the police all to no avail.

So we decided to start an investigation on slavery in the area. We now feel we have confirmed reports that slavery exists and we are convinced that it is not anything other than slavery in its classical sense.

What follows is a brief summary of the testimonies of witnesses, relatives, and former slaves newly liberated. We do this to argue that slavery is directly and indirectly connected to the Daien massacre. We give the details of the testimonies about slavery in a separate chapter at the end of the report.

First: Eyewitness survivor Thiok Dut Anei provided us with information about

some Dinka children and women held by the Rizeigat in Daien. She saw these children and women while she was looking for her own children lost during the massacre. She talked to some of them and gave the names of their villages, and chiefs. Some of the women whom she met were captured before the massacre in the Dinka villages South of Bahr El Aab-Kiir.

Second: James Deng Anywan, a Dinka who now lives in Hiyala, talked to us about slavery in Darfur. He even gave the name of his brother, now dead, who was sold for ten camels in Um Jidad. He gave information relating to the role of El Fashir police in handing the run-away slave back to his relatives who "owned" him.

Third: Policeman Diyu Bak Diyu, a Dinka who worked in Daien and survived the massacre, told us of a specific case of a Dinka woman coming to the Daien police asking for her child to be returned from the family which had taken it as a slave.

Fourth: Monyok Jieng Manyok provided us with strong evidence of the existence of slavery. He himself has been very active in helping the Dinka slaves to escape. Indeed we met and interviewed two of the

ex-slaves whom he had helped. Manyok gave us a list of some slaves still held by known Rizeigat and another list of ex-slaves whom he sent to Dinka relatives in Khartoum. Manyok also told us about the treatment and use of enslaved Dinkas.

Fifth: We had long, recorded interviews with two Dinka ex-slaves: A twelve year old Abuk Diin and 30-year old Abuk Tiyeb. They talked about their capture in Mabior Nyang and Ashoro, the trip on foot to Souin, their allocation to the captors, arrival in the captors' village, the work

they used to do, and how they escaped.

We believe the government policy of arming Rizeigat militias and sending them into Dinka areas has created favourable conditions for the re-emergence of slavery. Today new economic needs for slave labour are being felt among some factions of the Rizeigat.

In the context of government connivance, racist attitudes among the Rizeigat has been generated against the Dinkas. It was these attitudes which made the Daien massacre possible, and justifiable in the eyes of the Rizeigat.

/9317
CSO: 4500/125

COMMERCE MINISTER DESCRIBES TRADE POLICIES, CIRCUMSTANCES

Khartoum AL-ASHIQQA' in Arabic 14 Jul 87 pp 6-9

[Interview with Dr Ibrahim Hasan 'Abd-al-Jalil, Minister of Commerce, by Ibrahim al-Nimr: "Selecting Me from Outside the Body of Parliament Had No Political Significance"]

[Excerpt] [Question] Lengthy talk is going on about the disruption that occurred in conjunction with the marketing of agricultural output in the 1986-87 season, from which the government incurred a loss of about \$400 million. What steps will the ministry take to correct marketing and export policies?

Dr 'Abd-al-Jalil: This subject is still under investigation. There are some mistakes which have occurred; we do not doubt that. However, did they occur on the part of a given agency or all agencies? That is what we are seeking an answer to.

With respect to the crop marketing policy for next year, we are working first of all to come up with a policy which the competent agencies will be committed to at an early time. Secondly, we hope that this policy to which the agencies will be committed will emerge in the light of study by the various competent agencies inside this ministry. The ministry has commodities and crops which are connected to it but are not subordinate to the minister, and have organizations which have boards of directors and technicians. It is necessary to have recourse to their views before presenting recommendations to the competent body which we will discuss and on which we will make decisions regarding prices domestically, the method of sale itself, the timing of the sale and so forth.

[Question] As an example from practice, last season, blatant mistakes occurred in the marketing of such oil seeds as peanuts and sesame. The Sudan Oil Seed Company bought crops for 500 million pounds and was not prepared for this, due to the circumstance of the scantiness of the drought years, which cast additional burdens on the company. The private sector refrained from dealing with it, and in addition it had losses and bank indebtedness which were not covered and came to 130 million pounds. Is there a tendency toward a basic review regarding work methods and the system of management in the company?

Dr 'Abd-al-Jalil: Of course, there is a tendency to correct all mistakes, whether they occurred last year or earlier. The gist of your question is that everything that has happened that you consider a mistake is attributable to the company management, while the company's management might not be the only responsible party.

[Question] The question did not arise from a vacuum. There was a committee for marketing crops in which numerous bodies were represented. The company, according to official government reports, takes an obstructive position on many occasions.

Dr 'Abd-al-Jalil: Okay, but has the company or its board of directors, or the law on which the company was founded, been eliminated? This company is a joint public and private sector company. It has shareholders who represent the general assembly and it has a board of directors which has specific powers. It is responsible to the general assembly. It is difficult to understand that you should have all this personnel and go against it, except in circumstances of great exigency, if one may use the expression. Before we attribute the failure to the company, we must understand what has happened.

The company as I have said did not deal on the market for 5 years. The season's crop was big and it set out high purchase prices for it as an incentive to producers. This requires financing. In ordinary circumstances, the sector participated and bought the crop from the producers. In the years that preceded the breakup of the oil seed monopoly, the company bought from producers only in the framework of the al-Rahad project and worked through a commercial network which would deliver the crop to it at Port Sudan. In the drought years, this whole network came to an end. In the area of financing, it might be elementary for you to know where the money comes from, and when. The financing came belatedly, going by my information.

Sudanese oil seeds are distinctive from others in that they are harvested early and have a 2-month advantage in the market. If we can sell during this period, we will rid ourselves of a substantial amount of the crop. This can happen only through early marketing, early contracts. In any event, the circumstances were difficult and the marketing of oil seeds required thorough study, so that what happened last year would not be repeated. It is not wise to ignore this experience, because we will fall prey to the same mistake.

We are building a commercial company, and we must not destroy without preparing a substitute. Trade is not an easy matter. Marketing has to be dealt with step by step and it is not realizing the highest price that is desirable so much as that we want to realize the greatest income. There always is the danger of a drop in price and the failure to realize an income. Dealing with the market does not happen through desires or caprice. When you deal with customers and markets, you must have integrated information, systems for making sound decisions, and agencies which will help these systems, which will supply them with alternatives, study them and make decisions regarding them.

We prefer to avoid hastiness in changing from one marketing system to another and to compensate for this with an orientation toward self-organization and a study of the particular characteristics of the market before thinking about

the change, and when the alternative is ready and is in keeping with the change, so that we can start with it.

On this basis, I am inclined to say that before adopting a decision regarding marketing organization, it is necessary to study it thoroughly and precisely so that we can determine what we want in the light of it and fully prepare ourselves for the market after observing the calculations and expectations in its regard.

By this thinking, I hope to benefit from last year's experiment regarding oil seed marketing for this year. I see no wisdom in changing this pattern and organization. If there is a problem, further studies in the context of technicians or more discussion in the context of the board of directors will be required, along with participation by the minister, not to interfere but to understand the basis of his decisions and recommendations. I was chairman of the board, and much intervention is not feasible.

[Question] During the May era, many distortions marred export policies and they continued as they were during the period after April 1985. Is there a tendency to review these policies?

Dr 'Abd-al-Jalil: What were the May policies?

[Question] We are talking about the policy of encouraging exports and giving incentives to exporters.

Dr 'Abd-al-Jalil: There was no strategic reserve and surplus in the last years of the May [era] which would allow for exports. Providing incentives to producers means expanding the market, in the case of local self-sufficiency and the presence of a surplus which we would offer to the world market, rather than having it accumulate in warehouses for the following year. In normal years we seek recourse in ordinary trade. I think that you are talking about transactions on an equal footing.

So far as I know, gum Arabic has not had experience with transactions on an equal footing, nor has cotton. This is true with respect to corn and oil seeds.

We are agreed that the last season with respect to corn and peanuts was not an ordinary one as far as marketing went. Therefore it is wrong to describe what took place in the course of it as a May policy.

Last year the exchange rate was changed for people producing for export and a large proportion of the taxes and levies on exports also disappeared or was reduced. We resort to barter in two and only two cases.

The first case is when we want to introduce a marginal commodity into the market which the market had not previously been acquainted with. Introducing it to the market takes place by various means, including by barter or at a low price or as a gift.

The second case is when you have a crop which has accumulated and the world market is glutted and cannot support your crop and that of others. In the Sudan,

we cannot store for long periods because storage capacity is minor and limited, and, because we have our urgent requirements, we must seek practical ways of getting rid of the crop so that it will not be subjected to low-quality storage and will receive foreign currency revenues which will cover your necessary requirements that cannot be put off. In ordinary circumstances we sell by the open market method.

We cannot set the price of a commodity we do not control. It is elementary that you should seek recourse to the market to set the price. One year you will make a profit and one year you will lose. At present most crops are suffering from a great expansion in production.

Bartering usually takes place at the world market price or close to it. Some people believe that as long as there is bartering an opportunity will exist to raise price. As far as I am concerned, it is difficult to grasp such a policy. In any event, the absence of a tendency to be specific among people irks me.

[Question] The economic sector ministries jointly determine economic policies in detail through full coordination among themselves. Last year's experience witnessed such contradictions in decisions and areas of competence that matters became untenable, and this resulted in the dissolution of the council of ministers. Are there guarantees that what happened will not be repeated?

Dr 'Abd-al-Jalil: The transformation which has taken place in the Sudan has not been so simple and easy as to let everything proceed in the traditional manner or at a level which was in keeping with people's aspirations in marketing and so forth. The government today is more aware and knowledgeable about the type of relations among agencies, be that in the context of government agencies;

Or among ministries or within the ministries themselves. Marketing in the Sudan is the problem of problems and mediocre in the best of hypotheses.

We hope to benefit from the two experiences of the transitional period and last year through the economic sector committee in arriving at the proper equation to provide total communication among competent agencies and provide enough information to help the adoption of a collective decision. Defining the areas of competence and responsibilities of ministries does not just occur on paper but also in actual conditions.

I am optimistic. I do not claim that this will take place in a year. By my assessment, the absence of coordination is one of the major problems in management activity in the Sudan. It is a problem which must preoccupy us all so that we will achieve a minimum of coordination.

If the right hand does not know what the left one is doing, that is a very big problem.

Coordination in work saves time and helps in the performance and followup of work and its improvement and development. The matter in any case was not deliberate but occurred out of good intentions, because some people wanted to solve their problem quickly.

[Question] I might not agree with you on that. How can we attribute this to good intentions while we have an example in practice in front of ourselves, the extraction peanuts transaction with East Germany? The Sudan Oil Seed Company negotiated with the Germans and the transaction contract was signed in the Ministry of Commerce. The Ministry of Finance cancelled the transaction and made an alternate to it with the owners of the Port Sudan presses for the same quantity, and the Ministry of Commerce did not take part in that. Then the minister of finance abrogated the former agreement and negotiated with the export merchants and some press owners for the same quantity.

Dr 'Abd-al-Jalil: I have not heard of that, and of course the minister of finance knows more about it. I might interpret that as the consequence of exceptional zeal to solve a certain problem. Some people act out of good intentions although they do not have direct interests and a prior intention to invade other people's jurisdiction. Good intentions are a relevant consideration.

A problem might exist and the people who are involved with it might speak to me in order to resolve it and at the same time might have contacted the Bank of the Sudan, the minister of finance and even the prime minister, and the people who are involved with the problem might not turn directly to the body with jurisdiction. Then there will be four solutions which will have arisen in order to solve one problem. Of course, the person involved in the problem will seek out the solution and strive by every means to reach the point where he will find this solution. In many cases he might not know the starting point or have an opinion on it, and in many cases he will believe that he has a connection with one official or another which will be of more benefit to him, and that will cause this confusion.

[Question] The main reason for the scarcity and high prices of necessary commodities is the mediocre nature of local production, as a result of many causes. What is the ministry's policy for overcoming the twin crises of shortage and high price levels?

Dr 'Abd-al-Jalil: The description is accurate. The ministry at present is studying its alternatives. I cannot specify the policy because it has not yet been defined, but we are looking into all available alternatives. The crisis is clear to everyone with two eyes [line and a half missing] and the twin crises of scarcity and the high price levels are of course interconnected. The optimum situation is to guide efforts to solve the two of them together if possible. I said at the constituent assembly that I do not have a magic wand and I asked everyone to contribute opinions. I receive many views orally, in writing or from the daily papers.

We in the ministry are preparing what we conceive to be alternatives. In the Bank of the Sudan there also is a debate on the problem of foreign currency and until the picture is rounded out it will be difficult now to talk about

any policy or detailed measure. Our general goal is to provide the commodities where they exist and offer them at an appropriate price.

[Question] The Monetary Fund is insisting on avoidance of pricing locally produced or imported commodities and on having that left to supply and demand. What is your comment?

Dr 'Abd-al-Jalil: I believe that we are dealing with the issue of the Monetary Fund in a manner that is not methodical and objective. Let us look at our situation. Are we in agreement that we are experiencing an economic problem or not? What are the means for solving this problem? What is the requisite formula, on the basis of our available resources? Is it long range, which we cannot support? Is some of it acceptable in this period for objective reasons? What are the other approaches?

The Monetary Fund will not solve a problem if the people involved with it do not recognize it and sit down and study their alternatives. In economics we calculate two things: revenues and cost. This is the criterion for comparing platforms and methods of solution. Shall we rely on ourselves or shall we create certain changes? Will we halt government spending? By what economic rule are we operating? How can we increase revenues? And so forth. These matters are essential when one is dealing with the basic issue. Let the review of various platforms start and let us call them options, because planning and economics or decisionmaking are only one among several options. In economics there is no 100 percent satisfactory situation.

[Question] What is the optimum solution for the import system? Is it transactions on an equal footing, whose needs and flaws have become apparent, importing without the transfer of hard currency, or the policy of actual conditions, as happened with regard to the clearance of the port?

Dr 'Abd-al-Jalil: The alternatives basically are limited. The revenues from our exports do not exceed a specific figure, and there is great demand for them to cover consumer goods and agricultural and industrial production accessory requirements, the payment of debts and amounts due on them and so forth. The difference between revenues and disbursements is great.

The government has failed to attract the savings of expatriates through official channels, we have not arrived at the appropriate equation and other sources such as loans and grants are not financing part of the balance of payments. Rather, they are financing part of the government budget. As for commercial agreements, they affect export revenues. It is just a matter of substituting one commodity with another instead of hard currency. What is the solution?

Importing without transferring prices? Innate resources? Seeking to increase foreign currency flows through political contacts? To purchase from countries with a commodity surplus? Development of Arab trade, or the scarcity of it? Purchases through easy long-term loans? And so forth.

In order to increase cash surpluses it is necessary to win the international community over to our current economic policies for rectifying the situation.

Differentiating between agricultural and industrial production requirements and consumer requirements might help in evaluating the alternatives in an easier manner. If we find the necessary financing to increase the available exploitation of weak industrial sector capacities, this will increase this exploitation of the weak capacity, which will theoretically help increase the local commodities in the market several times over.

The scarcity of goods encourages smuggling, which is not an individual phenomenon but a complete institution. The solution is abundance, and, if that is out of the question, the search to raise its level a little in order to break bottlenecks and reduce the propensity to accept smuggling.

These are just thoughts; I do not have the solution. I wish people would present their solutions.

[Question] Livestock trading was characterized by strange anomalies last year. While the ministry halted exports, the foreign currency budget for 1986-87 allocated the sum of \$123.8 million in livestock and meat export revenues. Then the ministry concluded a transaction with Makiras and later cancelled it, in order to pave the way for exports once again.

Dr 'Abd-al-Jalil: The decree to suspend exports was aimed at guidance and therefore the allocation of export revenues in the budget is not strange. The livestock trade is the oldest trade in the Sudan. The Sudan is proud of it and the Road of the 40 is witness to that. It is a trade which grew and expanded through private efforts and the government's participation in it is minor, except for the establishment of the livestock and meat marketing organization. This has been one of the greatest errors, and we have not been concerned with this resource, which has provided us with protein, leather, organic fertilizer and foreign currency. It would have been possible to develop tanneries and meat processing in order to serve the country.

Livestock exporting was one of the motives for developing livestock resources. The suspension of exports showed the error of the view which advocates that livestock be directed toward the domestic market alone. Livestock trading, all in all, is not characterized by perfection. Problems exist and it is possible to arrive at solutions in their regard.

We must understand that we often say something and believe it, then decree it and it then prevails. Do you believe that Saudis expect to have Sudanese mutton at big receptions? Sudanese mutton is excellent, but it is expensive and it is oriented toward a specific class only. The price of a Sudanese sheep is \$100, 350 to 500 riyals, and there is Australian and Turkish mutton which does not cost more than 130 riyals. There is no guesswork about it. We must study how much livestock the market can absorb, what the reasonable price, the price we want to prevail and the price by which we can expand the demand for our livestock in the climate of competition is, and so forth. In addition, it is necessary to know the local cost and how we can encourage producers and expand and develop the market.

Our policy must not be one of contraction as long as the government is not spending anything on this trade but rather collects unjustifiable taxes and levies on it.

[Question] Information systems are a basic foundation in marketing operations. What is the next step for providing such systems?

Dr 'Abd-al-Jalil: The prime minister requested that we set out a plan for supply, and this means learning the country's requirements. Consequently, we will need information on the current situation and the development which will occur, information on the population, consumption of every commodity, anticipated increases and consumption patterns, information on local agricultural and industrial production and information on what we import in a continuous, ongoing manner.

Information is a necessary thing in commerce. Before we pave the way for exports we must know the size of the surplus, the capacity of domestic and international markets, and so forth.

The truth is that the natural development of Sudanese trade has occurred since 1969, and we are now trying to build a new system to keep up and compete [as published].

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REVIEW OF PUBLIC SECTOR INDUSTRY PROBLEMS

London AL-DUSTUR in Arabic 13 Jul 87 pp 36-37

[Article by Murtada al-Hasan]

[Text] One of the most important dimensions of the industrial crisis in Sudan is the difficulties and obstacles which the public sector is encountering, despite the small number of factories that come under it. Every one of these public sector factories is facing problems that might appear unique to it, but all in all they are the same problems that are hampering the performance of their tasks according to their set production capacity. Naturally, the Sudanese private sector factories are also facing difficulties which have brought their production to a complete halt (as in the case of the detergent industry sector). What are the problems of Sudanese industry?

The public sector in Sudan consists of about 30 totally state-owned factories. Their production is confined to sugar, yarn, textiles, cement, food, and paper.

The Sugar Industry

Despite the fact that the Sudanese sugar refineries (in al-Junayd, Halfa al-Jadidah, Gharb Sannar, Hajar 'Asalayah, and Kinanah) were established in areas where sugar cane planting was successful, they are producing substantially less than their scheduled annual capacity. Economists believe that one of the most important problems facing the sugar industry in Sudan is the lack of coordination among the parties which play a significant role in formulating general policy for production, operation, and marketing, because of the many ministries where any official can affect general production by an ill-considered decision, or by ignoring a problem that would cause further deterioration in one refinery or another. The sector also suffers from lack of sufficient capital to finance the sugar refineries' plans. Most of the sugar refineries also suffer from shortage of the most elementary production requirements (sometimes there is a shortage of the sugar cane necessary for production). The operations section also suffers from the problem of electric power outages, the lack of qualified technical cadres, and the lack of a clear plan to turn these refineries into companies. Worst of all is the fact that the sugar cane which is being planted is not suitable for production purposes.

The Textile Sector

The Sudanese textile sector consists of 14 factories, including ready-made clothes factories (Khartoum North) and kenaf factories (in Abu Na'amah and Tonj). This is in addition to the other ordinary textile factories set up in different parts of the country. Most of these factories were set up as a result of agreements with countries friendly with Sudan. The ready-made clothes factory in Khartoum North was built under a Sudanese-Chinese agreement. It is scheduled to produce 200,000 articles of clothing a year. The building and equipping of this factory was completed in 1985. The textile factory in Khartoum North was the result of a Sudanese-Romanian agreement in 1976. But this factory failed to carry out any production tasks because of the Sudanese failure to meet its obligation of \$5 million. In Port Sudan, the textile factory was unable to begin production despite the fact that its construction was completed in 1980, because of the failure of the officials to provide sufficient water and electricity supplies. Sudanese industrialists are now talking about the need to explore two options: installing a water desalination plant for the factory utilizing the salty Red Sea water, or altering the cooling specifications so that the factory will need less water, thus saving the treasury up to \$5 million in expenses.

As for the al-Haj 'Abdallah yarn and textiles factory, which is designed to produce 10,000 tons of thread, it has stopped production because of trouble in its cooling system, especially during the rainy season. In Abu Na'amah, the factory which was built in order to produce 10 million sacks annually has failed to fulfill this target. The construction cost increased from 7 million Sudanese pounds to 17 million pounds. The factory was closed for several years, and at present it produces no more than 250,000 sacks annually.

Industrialists who have worked there say that the failure is due to financial and technical reasons which have led to a failure to produce sufficient raw material for production. The lack of financing has also prevented the building of basins for the submersion of kenaf in water, thus forcing the factory management to submerge the kenaf in the ordinary irrigation canals which, because of the inability to control the water, reduces the quality of the kenaf. It can also be said that, because of the financial crisis, most of the agricultural production means are unavailable. What further complicates the factory's problems is the kenaf harvesting season's coinciding with the harvesting of other crops, which results in a serious shortage of agricultural workers.

Several solutions have been proposed for this multifaceted problem, the most significant of which calls for importing kenaf from Bangladesh or India while planting the land of the kenaf project with another crop. Another proposed solution is to divide the project's lands in a manner similar to the lands of the al-Jazirah cotton project.

In Tonj, in southern Sudan, the government reached an agreement with an Italian company in 1973 to build another kenaf factory there. The factory was scheduled to be completed by the end of 1978, but the government's failure to fulfill its financial obligations forced the company to withdraw in 1979,

leaving the Sudan indebted by more than 450 million Belgian francs. What makes the problems of the project even more difficult is that the amount of water which the factory needs is difficult to provide between November and April every year, unless a dam is built on the Tonj river.

Also, in 1973 the government put forward its idea regarding a project for building a textile factory in Kadugli district in 1973. The idea was fated to meet an early death because of the poor choice of location (a small village lacking most of the fundamental requirements of living conditions). In addition, the government failed to provide the funds which it pledged to provide. Moreover, the contracting Italian company, with which it signed a \$2.6 million contract, asked for additional funds, because the government had asked to extend the contract for an additional 21 months.

As for the textile factory in Husayhisah, it began production in 1975 but continued to suffer from instability which was clearly reflected in its productivity. This was because of the interruption of electric power, desertion by skilled workers, and the lack of hard currency funds for the purchase of raw materials. Even though the factory's productivity improved following the rebellion, it is far less than the scheduled productivity, which is 16 million yards.

Other textile factories exist in Kusti, Kadugli, al-Duwaym, Shandi, Nyala, and Mongalla, but they suffer from common problems particularly since they are being implemented by a Belgian company. The factories were scattered in different parts of the country without an economic feasibility study being conducted, and regardless of whether the sites of their location were suitable for this kind of economic production activity.

The Cement Sector

The first cement factory was established in Sudan in 1948 in the town of 'Atbarah--the well-known labor capital--with an annual capacity of 240,000 tons. Later, the Nile cement factory was established in Rabak town, adjacent to Kosti on the White Nile, with a total annual capacity of 100,000 tons. The two factories meet only 50 percent of the market demand. And in view of the high cost of cement production, imported cement is attracting a larger number of consumers. In addition to the well-known internal transportation difficulties, the electric power outages, and the shortage of spare parts, the factories are constantly facing the threat of closure.

The Food Sector

This sector includes two canning factories in Kuraymah in the north and Waw in the south, two dehydration factories in Kassala and Babanusah, and two confectionary factories in [Rayya] and [Kuraykab]. The losses of Kuraymah factory in 1985 exceeded 2 million Sudanese pounds. Babanusah factory stopped production in 1983, after incurring debts totaling half a million Sudanese pounds. The [Rayya] and [Kuraykab] factories accumulated debts totaling about 12.5 million Sudanese pounds and were put up for sale. But no offers were made because of the large amount of the debts in question.

These factories were built with Soviet aid without carrying out an adequate feasibility study. The canning factories are continuously facing the problem of seasonal raw materials such as tomatoes, karkadi, and other such material. This is in addition to the lack of a plan to plant alternative vegetables in order to fill the vacuum that follows reaping the basic raw material. Although these factories are more than 20 years old, none of their machinery has been renovated.

The Tannery Sector

There are three principal tanneries in Sudan: the Khartoum tannery, the White Nile tannery, and the al-Jazirah tannery. These tanneries were scheduled to use 1.3 million cowhides, 5 million sheepskins, and 2.5 million goatskins, but they use no more than 25 percent of those quantities, and the remaining large quantities are exported as raw material. The problems of tanneries recently increased because of their poor budget allocated for the purchase of animal skins, the lack of spare parts and necessary maintenance, the continued disruption of electric power, and the absence of a sound marketing program.

The Paper Sector

This sector consists of two factories, the White Nile factory for packaging and the Aroma cardboard factory. The former produces no more than half its scheduled production capacity because of a series of difficulties which continued to hamper it since it was taken over in 1970. As for the cardboard factory in Aroma, it was established following a Sudanese-Yugoslav agreement. It began production in 1963 but stopped in 1969 because the planting of cotton in the area was abandoned. The Aroma factory depends on cotton stalks as raw material for cardboard manufacture.

The Private Sector

The Sudanese private sector makes a major contribution to activating the country's economy, especially in the field of industrial investment, since Sudanese businessmen have contributed to more than 80 percent of the country's total industrial investment budget (310 million Sudanese pounds out of a total of 388 Sudanese million pounds). But the enactment of the industrial investment law in 1980 has cancelled many of the incentive privileges of this sector, thus reducing the sector's total contribution to the country's industrial production to only 5 percent in 1984/85.

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AL-'ASI RIVER POLLUTION

Damascus AL-THAWRAH in Arabic 3 Jul 87 p 7

[Interview with Engineer Bishar 'Attal, a specialist in health engineering and pollution control, by 'Abd-al-Khalil Maghmumah: "Al-'Asi River Faces the Dangers of Pollution; Polluted Industrial Wastes Are Being Dumped into the River; Citizens and Crops Are Being Damaged;" date and place of interview not specified]

[Text] Our country celebrated the International Day for the Environment with lectures and seminars about the importance of fighting environmental pollution, particularly the human and industrial pollution of al-'Asi River in Hamah Province. It was on that occasion that we interviewed Engineer Bishar 'Attal about this subject. Engineer 'Attal, who is a specialist in health engineering and pollution control, talked to us about al-'Asi's river basin, the pollution of its waters, the indicators and sources of pollution, and existing pollution control projects.

Man has been utilizing water and profiting from its use for quite some time. He has increased his activities in the environment and his control over it. Man has also altered the environment, upsetting its natural balance to the point of almost losing the principal ingredient for his life, which is water.

Rapid industrial growth which depends on using water in manufacturing operations has led to increased water pollution. Waste materials generated by these operations and by housing communities are dumped into waterways, and that has caused disease and epidemics. That is why contemporary man started thinking about fighting pollution. Man started thinking about pollution after discovering that cholera, typhoid, and other intestinal disorders are transmitted by the water he uses. Man realized this in the aftermath of the cholera epidemic, which swept London in 1831, and after other similar epidemics which happened in many parts of the world.

Man started using antiseptics and different disinfectants to get rid of bacteria and various germs in water. Investigations about pure, unpolluted water proceeded on a course that paralleled that of civilization and its progress throughout the ages.

Engineer Bishar had this to say about the pollution of al-'Asi River, from its source to its outlet:

[Answer] Before answering this question I have to provide a quick overview of the river basin and comment briefly on the importance of this far-reaching river. The area of the al-'Asi River basin is 16,325 kilometers; it flows south to Qalamun District; east beyond Salmiyah; and north through Wadi al-Ghab to Wadi (al-Rawj).

Its average water supply amounts to 2 million cubic meters of water per year.

Al-'Asi River flows from Lebanon north through Hims and Hamah and empties its water in the Mediterranean Sea. It is the principal river in the central region, providing water near its source to Hims and Hamah. In addition, it also provides water to over 60 residential communities in the two provinces.

Three Dams To Control the Flow of Water

The flow of water in the river is controlled by three dams.

The Qatinah Lake Dam

Water stored in the lake is used for numerous purposes including irrigation and flood control operations. Water from the lake is also used by industries existing on both sides of the lake. An irrigation canal branches out of Qatinah Lake; water flows out of the lake and into that canal at 12 cubic meters per second. The canal provides irrigation for 22,400 hectares of farm land. Through its subsidiary canals this irrigation canal also provides water for 700 hectares of land. In the past the province of Hims obtained drinking water from this canal before Hamah's new water supply project was introduced. (This project was introduced after the pollution problem in Qatinah Lake got worse.) Water from this canal is polluted by chemicals and germs. It is polluted by heavy chemical ingredients and nitrogen and phosphate compounds. That is a result of the fact that three plants belonging to the Public Company for Fertilizers dump their waste products into the canal. Third residue waste materials and waste from the Qatinah steam power generating plant are also dumped into the canal. Water from this canal may not be used for drinking even if it were to be treated by sedimentation and filtration. But proper purification of this water requires large amounts of chlorine. If that were to be done, the amount of chlorine remaining in the water would be harmful to the general health of men and animals.

Other minerals and chemical compounds which can be found in water from this canal affect the health of men and animals. The ratio of minerals and chemical compounds present in the water would cause diseases in the liver, kidneys, heart and respiratory system. These minerals and chemical compounds can also cause cancer.

Al-Rastin Dam

This dam is used in the winter for storing water which is to be used during the summer months for irrigation. This control point has a direct effect on pollutants in al-'Asi River as it flows through Hamah Province. When water is stored in the lake behind the dam, the water supply in the river is at its lowest, and that creates significant organic pollution, particularly when the

temperature is low. That limits the natural process by which the river cleanses itself. This happens during an 8-months' period, from September to April of every year. The water supply is at its maximum level during the period from May to August: approximately a 4-months' period.

The Muhradah Dam

Water from that dam is distributed to different irrigation canals in al-Ghab through the regulatory al-'Asharinah Dam. This water irrigates 47,000 hectares in al-Ghab and 24,000 hectares in (Tar al-'Ala) and al-'Asharinah. The river is considered a principal source of water for existing industries in the central region, providing them with 1,568,232 cubic meters of water a day. That figure will rise in coming years to 2,003,376 cubic meters a day.

Engineer Bishar had this to say about pollution in al-'Asi River.

[Answer] In general, the sources of pollution in al-'Asi River may be limited to [the following]:

--Pollution that results from disposing of industrial waste water into the river. That water contains oils, dyes, salts, suspended particles, extraordinary chemicals, toxins, biodegradable organic materials and sometimes hot water.

--Pollution that results from dumping into the river human waste materials containing bacteria, inorganic solid substances, chemical detergents, and organic materials. Organic materials deplete the oxygen supply in the water, and that interferes with aquatic life and causes the spread of foul odors.

--Pollution that results from dumping into the river waste materials from hospitals and laboratories. These waste materials contain infectious bacteria and viruses in concentrated form.

--Pollution that results from dumping into the river drainage water from irrigating crops. This water contains pesticides and herbicides which are used in agriculture, and it also contains chemical and organic materials which are produced by the use of fertilizers.

--Heat pollution results from dumping into the river liquid waste materials at a high degree of temperature.

Industries Classified in Groups According to Drainage Location

[Question] Would you elaborate on the polluted industrial water which is dumped into al-'Asi River, and would you provide further details about its effects on the river?

[Answer] The industries in Hamah Province may be divided into three groups according to drainage location.

The first group is made up of those factories which drain their water into the city sewage system whose waters flow into al-'Asi River. They are the textile plant, the Public Company for Woolen Textiles, the Hamah Tobacco Plant, the Oil Company and the Industrial District.

The second group is made up of those factories which dump their water directly into al-'Asi River. These are the Ar Rastin Cement Plant, a tire plant, an iron plant, the Muhradah Power Plant, al-Ghab Sugar Refinery, Tall Salhab Sugar Refinery, private tanneries, Hamah's municipal slaughterhouse, private wool-washing guilds, and other plants in Surayhin and Khattab.

The third group of plants are those which dispose of their water in the open. They are a porcelain plant, the Kafr Buhum Cement Plants Complex, grain silos, mills, and the Tall Qartal plants. Ultimately, this water finds its way to AL-'Asi River.

Engineer Bishar had this to say about the effect that water from these three groups of plants has on the river.

He says, "Waste water from these three groups of plants has a considerable effect on the river."

The Effect of Water from Plants of the First Group

A. The textile plant and the Public Company for Woolen Textiles: Waste water from that industry amounts to 2,650 cubic meters a day. This water is disposed of into the city sewage system from which it flows into al-'Asi River. Waste materials from this group are characterized by their concentrated pollutants which contain numerous ingredients and extraordinary toxic chemicals. This has been the case particularly after two dyeing units were introduced into the woolen textiles and textile plants. In its present condition this group generates more waste materials than the city's biological water treatment plant can handle. In addition, these waste materials are dangerous for the city's sewage system because they may erode and block that system.

Laboratory tests conducted on effluent from the two plants showed a clear rise in hydrogen ions to 12 particles, as well as an increase in suspended solid particles to 20,000 milligrams per liter. Biodegradable oxygen (B.O.D5) rose to 14,000 milligrams per liter; chlorine particles rose to 100 milligrams per liter; and ammonia to 60 milligrams per liter. Waste products from dyehouses contain toxins which are produced in the dyeing process. They also contain chemical catalysts which are added during the dyeing process. If ingested by man, (metal complex) dyes which are currently being used in dyeing woolen fabrics have a toxic effect. They cause numerous skin diseases including skin cancer in the palms, on the arms, the face, and in the armpits. These dyes could also affect the chest and back in case of contact. When these materials are ingested, however, they may cause malignant tumors and numerous chest diseases.

B. The Hamah Tobacco Plant: A small amount of contaminated water is generated in this industrial process at this plant. Approximately 28 cubic meters of contaminated water are produced a day.

C. The Hamah Oil Company: This company which extracts oil from cotton produces about 160 cubic meters of contaminated water. This water, particularly that which is produced in the part of the plant where soap is manufactured, has a high concentration of pollutants.

The Industrial District: Two kinds of contamination causing industries are identified here.

The first consists of auto repair shops where motor oils are changed and engines lubricated. The second consists of tile factories and marble cutting plants. Both have an effect on the sewage system.

Plants in the Second Group

When asked about plants in the second group of factories which dispose of their industrial waste water directly into al-'Asi River, Mr Bishar said, "Some plants in this second group, such as the tire factory, the iron factory, the steel products factory and the Muhradah Power Plant treat their water before disposing of it in the river. Others, however, like Ar Rastin Cement Plant, the Tall Salhab Sugar Refinery, the al-Ghab Sugar Refinery, the municipal slaughterhouse, the private tanneries, and the plants in Surayhin and Khattab, do not treat their polluted industrial waste water in any way."

Effluent from plants in this group differs according to the kind of industry that generates it. The effects of heat contamination from Ar Rastin Cement Plant should be looked into and its effluent treated before it is disposed of in the river.

There is significant organic contamination at the Tall Salhab Sugar Refinery, and that must be looked into. Waste water at this plant must be biologically treated.

Significant organic contamination is also produced by the Jisr al-Shughur Sugar Refinery in al-Ghab.

Hamah's Municipal Slaughterhouse is one of the noticeable sources of pollution. It was studied by the municipality, and a decision was made to build a new slaughterhouse which will be equipped with a waste water treatment unit. Implementation of this project should be carried out promptly so that the new slaughterhouse can be utilized.

Private tanneries are legally prohibited. Nevertheless, they do operate. Therefore, controls should be stiffened, and tanneries should be banned. They have to be assembled in one place to be determined by the municipality, and they must all be forced to carry out proper treatment of their waste water before disposing of it into the sewage system or directly into the river.

Regarding the previously mentioned plants where treatment units do exist, the proper utilization, maintenance and operation of these treatment stations must be watched closely, and the treated waste water must be disposed of in special, designated locations far away from the river. These plants should adhere to the practice of not disposing of their waste water into the river.

The Effects of Plants in the Third Group

Engineer Bishar had this to say about the plants that dispose of their waste water out in the open: "The plants in the third group are the porcelain and cement plants, grain silos, mills and plants in Tall Qartal."

"The effects of pollutants generated by these plants are limited to farm land, ground water, and public health. That is why the effluent they produce and the chemical ingredients it contains must be studied to determine their effects on the soil and on ground water. Such a study must be made so that the necessary decision can be made to solve their drainage problem.

"The same is true about effluent from cement plants, grain silos and mills, all of which are located near the village of Kafr Buhum. This effluent forms a swamp to which the sewage system of Kafr Buhum contributes. It is a breeding ground for the flies and mosquitoes which plague the city in the summer. These problems can be solved by having all these plants drain their waste water into the city's sewage system."

Engineer Bishar 'Attal had this to say about Hamah's Sewage Treatment Plant: "In 1976 the Ministry of Housing and Utilities entered into an agreement with a British consulting firm to study the sewage system in Hamah and control pollution in it. The agreement included making preparatory studies and detailed designs and preparing bidding documents and requestss for proposals to implement a treatment plant. As a result, it was decided that a treatment plant which uses biological filtration devices was to be built.

"The consulting firm estimated that implementing that project would cost 94 million Syrian pounds in 1977 prices. The firm assumed that world prices would rise and estimated then that execution would be completed by 1980. Project costs would amount to 125 million Syrian pounds. That is, an annual delay would add 11 percent a year to project costs.

"The aim of that project was to protect public health, prevent pollution of the environment, utilize the water and fertilizers, protect agricultural workers and the soil, restore activity to river life, stimulate fish resources and improve their return, protect the lakes and restrict the growth of weeds in them, and improve the efficiency of irrigation projects.

"It is worth noting that a report about that treatment plant was published by AL-THAWRAH Newspaper in a past issue. In that report the newspaper referred to the fact that building that station at the present location would not realize the purpose and aim of having it built. Construction at that location would rather contribute to the creation of more pollution and cause the spread of mosquitoes and flies because the area in which it is to be built is a residential area that is surrounded by fruit-bearing trees. That is why the proposal which is now on the table has to do with moving the present location to another previously chosen location. That location is in Arzah Village, far away from the city, and that was the plan for constructing such treatment plants."

Possibilities

Engineer Bishar had this to say about the possibility of using water from the river for drinking and other human purposes as well as those previously mentioned: "The results of germ, chemical and biological tests show that al-'Asi River is contaminated with germs all along the part that was studied. Using water from the river for human purposes, for drinking or for swimming is not

advisable. Irrigating plants with this contaminated, untreated river water would cause disease. If citizens consume contaminated raw or cooked vegetables which were harvested from plants that were irrigated with contaminated water, they will get sick. Consuming the raw or cooked flesh of animals that had grazed on plants irrigated with contaminated water also leads to the spread of typhoid, cholera, jaundice, roundworm, tapeworm, and other diseases.

"Using contaminated water to irrigate plants also has a significant effect on agricultural crops. It reduces their yield, and it also reduces the productivity of workers who were involved in the irrigation process."

Suggestions

[Question] Do you have any suggestions that you would like to make at the end of this interview?

[Answer] An effort is to be made to build primary treatment units at the plants which dispose of their refuse water into the city's sewage system. That measure is to be accompanied by the execution of a treatment plant for the city's sewage system. The necessary treatment must be applied to the industrial effluent which is dumped directly into al-'Asi River, and stricter controls are to be applied to existing treatment units at the plants.

The Public Organization for Water and Sanitary Drainage is to prepare and train the staff that is necessary for utilizing and maintaining the treatment plant.

An effort is to be made to enact the necessary legislation to form a public organization for environmental safety in the country. That organization would undertake the task of protecting the environment, and it would make long-term plans for the purpose of achieving a clean environment in all areas: water, air, food, and soil.

Agencies involved in fighting pollution are to be supported technically and financially.

An effort is to be made to enact the necessary legislation to fight pollution in the country.

A mechanism from the municipality's Sanitation Department is to be designated for collecting solid waste materials from hospitals and laboratories. These materials are then to be properly incinerated.

The project to improve and isolate the al-'Asi River is to be implemented.

And then...

This interview that we've conducted with Engineer Bishar 'Attal has shown quite clearly that using water from al-'Asi River in agriculture or for swimming is dangerous because there are harmful pollutants in the water. The sewage system for Hamah and for the residential communities located all along the river flows into the river. In addition, industrial pollutants and contaminated water generated by industrial establishments and plants which are scattered throughout the province are also dumped into that beautiful river.

This calls for the prompt establishment of treatment units in all plants without exception. It calls for construction of a sewage treatment plant for Hamah far away from residential communities. Periodic tests are to be conducted all along the banks of al-'Asi River to test its waters and control the amount of pollution in it. Drinking water in the provinces of Hims, Hamah and Idlib is to be fully monitored to protect the environment and public health as well. Our celebration of the international day for the environment should not consist merely of speeches and lectures. We must rather make intense and practical efforts to put an end to environmental pollution, ensure the availability of safe water for drinking and irrigation purposes and eliminate pollution from any source and of any kind.

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SYRIA

NEAR EAST

WATER SYSTEM IN HIMS IN JEOPARDY

Damascus AL-THAWRAH in Arabic 3 Jul 87 p 7

[Interview with Engineer 'Abd-al-Rahman Faris, general manager of the Public Organization for Drinking Water and Sanitary Drainage by Bassam 'Umran: "Hims Threatened by Severe Water Shortage; Water System Renovation To Reduce Amount of Water Loss by Half;" date and place of interview not specified]

[Text] Hims has not had much drinking water in general, and it has recently been threatened with a water shortage. Recently, authorized agencies have had to prepare a schedule for interrupting water service to parts of the city to avoid some hardship which could result from such a water shortage. It can be said that the present water crisis is considered the primary concern of all officials in the province.

In this regard we met with Engineer 'Abd-al-Rahman Faris, general manager of the Public Organization for Drinking Water and Sanitary Drainage in Hims, and we had the following interview.

[Question] What is the status of the sources of drinking water and of the city's water system?

[Answer] 'Ayn At Tannur Spring is considered the city's only source of water. Currently, the amount of water that is produced and pumped from the lake of the spring is only 93,000 cubic meters a day. In January and February of this year, water production capacity was 100,000 cubic meters of water a day. This means there has been a decline in production of 7,000 cubic meters of water a day.

This water shortage has led to a situation in which water in the city is available on ground floors only. In addition, some neighborhoods have water service only at night and then from 4 to 6 hours only. Because the city's eastern and outlying neighborhoods have a higher altitude, they receive water no more than twice a week. The organization will try to implement the service interruption program to ensure that water is provided to those outlying neighborhoods. I would like to mention that the Hamah Water Organization is presently demanding that water service to the city from its own supply line be suspended, since al-Wa'r neighborhood is being provided with 15,000 cubic meters of water daily from Hamah's water system. If the Hamah Water Organization's demand is carried out, al-Wa'r will receive no drinking water because at present we cannot deliver water from the Hims water system to al-Wa'r because of that

area's relatively higher altitude and because the pressure that is required to deliver water to that area is inadequate.

The 'Ayn At Tannur Spring

Preliminary studies estimated that about 2.5 cubic meters of water per second could be pumped from the spring, but final studies showed that 1.15 cubic meters per second can be pumped from it. That caused local authorities in Hims to decide that (al-Barhaniyah) Lake would be linked with 'Ayn At Tannur Lake and that the two lakes would be joined together by a canal. This was actually done last year. Nevertheless, the drinking water shortage lingered. During the months of May and April we managed to pump 1.08 cubic meters of water per second. This indicates there is a gradual decline in the amount of water in the spring fed lake. One of the principal reasons for that may be the fact that scores of wells have been dug in the lake's basin, even though authorized agencies did make a general declaration prohibiting the digging of any wells anywhere within a three kilometer radius of the lake. But it is not easy to correct the situation now that wells have been dug. Land which is located near the lake receives water for irrigation purposes and for drinking on a priority basis. It would be commendable if authorized agencies were to take the necessary measures to check the phenomenon of violating the general ban on digging wells, especially those which are not licensed. Regarding a stream for 'Ayn At Tannur Spring Lake, the organization had executed a contract requiring that water be drawn from 'Ayn At Tannur Spring as a temporary solution.

Work on that project, however, is almost at a standstill because there are no primary materials. The project comprises a reservoir and a 3.2 kilometer water supply canal consisting of reinforced steel aqueducts whose diameter is one meter.

[Question] Do you think these are adequate solutions to avoid a water shortage?

[Answer] Of course not. All these solutions are considered stop-gap measures that do not meet the city's current needs.

And how would they meet future needs when the development which is expected to take place in the city's population and in its construction and industrial activity exceeds official statistics? This applies particularly to the number of people. The actual number of city residents now is 660,000 persons. Statistical tables show that figure to be 440,000 persons. According to statistical tables it is expected that by the year 2010 the number of residents in the city will be almost 1,051,000 persons. The plans we are making for the water supply go up to that year.

[Question] What are the steps that have already been taken to look for new sources of water for the city?

[Answer] Actually, the organization's ambitions have been limited to looking for a new source of water that would be sufficient for Hims for at least the next 10 years. We are also looking into the possibility of digging provisional wells in the city. However, the organization has not received approval from the Planning Authority to include these two projects in its plan. The organization

has, therefore, turned to the governor and his council, and the governor approved the allocation of 600,000 Syrian pounds from the independent budget for digging wells in areas of the city where violations were made. When necessary, these wells will be considered provisional wells for the city. The organization has executed a contract with the Water Studies Company to dig the wells, and the company has actually started digging operations.

It is worth noting that the organization is doing everything it can to reduce the amount of water loss from the city's water system. But overcoming the problem of waste is not considered a solution. It is known that the water system is over 35 years old, and the organization has a project which calls for renovating the system. That might help reduce the amount of water loss from the system from about 40 percent to about 20 percent. Notwithstanding the problem of providing primary materials, completion of this project will require approximately 10 years if it is implemented.

A Final Word

A simple review of the status of drinking water in Hims shows us a crystal-clear picture of the extent of the water shortage, for which the principal reason is the fact that wells were dug in the basin and in the vicinity of the spring fed lake. That had an effect on the water level in the lake. In my opinion, the matter is not difficult. There are five canals in al-Qusayr itself, and they are not far from the spring fed lake. When these canals are linked to the wells, we will have provided a suitable alternative to fellow farmers. At the same time, we will have removed one of the most important reasons for the shortage of water in 'Ayn At Tannur Spring Lake, and we will have also limited somewhat the danger of a drought.

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INDIA**SOUTH ASIA****FURTHER QUESTIONS FROM JETHMALANI TO GANDHI****More on Italian Connection**

Calcutta THE STATESMAN in English 29 Jun 87 pp 1, 9

[Text]

NEW DELHI, June 28.—In a set of 11 questions, released here today, Mr Ram Jethmalani, has continued to question the Italian connexions of the Government of India and Mr Rajiv Gandhi.

He had apparently left out one question concerning Snam Progetti, the Italian firm, in his Saturday's questionnaire for the Prime Minister and so fired his first salvo today at the Italian firm.

The question.

1) In yesterday's questions I had suggested that Snam Progetti were the turn-key suppliers and consultants for four of the seven gas-based fertilizer projects in India. Is it true that in respect of the remaining three projects, Mr V. P. Singh suggested that these should not be awarded to Snam Progetti?

2) Is it correct that Mr V. P. Singh's suggestion was that the Government should float global tenders in respect of the remaining three fertilizer projects?

3) Is it correct that Mr V. P. Singh's recommendation for the floating of global tenders in respect of the remaining three fertilizer projects was rejected by you?

4) Is it true that this suggestion was rejected to ensure that no comparative figures were available to judge whether the price paid to Snam Progetti for the other four fertilizer projects was reasonable?

5) Is it not correct further that rather than float global tenders for the remaining three fertilizer projects, the Government of India headed by you decided to shelve the remaining three fertilizer projects?

6) Is it correct that the World Bank has refused to finance the four fertilizer projects awarded to Snam Progetti because each of them involves over-invoicing and capital flight to the extent of Rs 109-150 crores?

7) Since your marriage to Sonia Maino, how many contracts have been awarded to Italian firms by the Indian Government, and what has been the value of these contracts?

8) How many contracts were awarded to Italian firms by the Government of India from the period 1950 to 1967, being the year in which you married Sonia Maino?

9) Is it true that Mrs Sonia Gandhi has been carrying on an insurance business in New Delhi ever since she got married to you?

10) Mrs Sonia Gandhi was an Italian citizen until very recently. Did she as a foreign national get Reserve Bank of India permission to carry on the said insurance business?

11) Is Mrs Sonia Gandhi still carrying on the said insurance business?

Lack of Response Questioned

Calcutta THE STATESMAN in English 2 Jul 87 p 9

[Text]

NEW DELHI, July 1.—In a set of 15 questions released today, Mr Ram Jethmalani has asked the Prime Minister why had he not responded to a story in The Statesman which charged that the Government was shielding the forgers of letters allegedly sent by the American investigative agency, Fairfax, to Mr Gurumurthy.

In his 14th letter to Mr Rajiv Gandhi, Mr Jethmalani has also suggested that the CBI action against Mr Gurumurthy, Mr Bhure Lal and Mr Vinod Pandey, was forced on the CBI by the Prime Minister's office.

The questions:

1) Are you aware that the forgeries, apart from referring to investigations into illegal financial dealings of the Bachchan brothers abroad and the activities of Snam Proggetti in this country—as referred to by me yesterday—also contained a reference to an investigation into certain rice exports from India to Russia, in which Mr Amitabh Bachchan was concerned?

2) Are you aware that during the course of the interrogation by the CBI, Mr Gurumurthy, Mr Bhure Lal and Mr Vinod Pandey, the erstwhile Finance Secretary, were all questioned about the contents of the said forged letters?

3) Are you aware that Mr Gurumurthy—far from being questioned on any matter pertaining to a violation of the Official Secrets Act—was interrogated by the CBI as to whether he was investigating either by himself or with the help of the Fairfax Group, the activities of Snam Proggetti?

4) Are you aware that the CBI interrogated Mr Bhure Lal as to whether he was investigating M/s Amitabh and Ajitabh Bachchan, Snam Proggetti and certain arms deals?

5) Are you aware that the CBI interrogated Vinod Pandey as to whether the Enforcement Directorate was investigating the Bachchan brothers, Snam Proggetti and a group of hotels known as the Noah Group of hotels?

6) What is the Noah Group of hotels and why was the CBI so anxious to discover what the Enforcement Directorate was investigating about it?

7) Is it correct that your late father-in-law was deeply involved with this chain of hotels? Is it further true that your brother-in-law, Walter Vinci is connected with this hotel group?

8) Is it correct that the entire CBI action against M/s Gurumurthy, Bhure Lal and Vinod Pandey was directed by the highest level

and imposed on an unwilling CBI through the CBI Director, Mr Mohan Katre, by the Prime Minister's office headed by you?

9) What, according to you, was the impropriety in M/s Gurumurthy, Bhure Lal and Pandey investigating frauds, if any, committed by the Bachchan brothers, by Snam Proggetti and by the Noah Group of hotels?

10) Do you believe the two letters to be a forgery today? Did you believe them to be a forgery at the time action was initiated through the CBI at your behest?

11) Have you discussed the issue of these forged letters with Mr Amitabh Bachchan who I suggest, first showed the letter to you? Has Mr Bachchan told you where he obtained the letters from? If you believe that the letters are a forgery and are aware of the source where from this forgery emanates, would you like to disclose this information to the public?

12) Are you aware that a responsible newspaper like The Statesman published an investigative article in which it charged that the Government was shielding the forgers of the two letters? Why have you not responded to this? Do you accept this charge? If not, why don't you at least issue a denial of The Statesman's charge?

13) Do you believe today that either Fairfax or M/s Gurumurthy, Bhure Lal and Pandey were investigating frauds perpetrated by the Bachchan brothers, Snam Proggetti and the Noah Group of Hotels? If they were, what is your stand on such investigations, particularly, why should these investigations not continue?

14) If the Bachchan brothers, Snam Proggetti and the Noah Group of hotels were not the target of any investigations, has not somebody perpetrated an extremely costly—as far as you are concerned—trick on you? Have you any idea as to who is the perpetrator of this trick? If you are a victim of a forgery, don't you understand that to avoid implicating yourself, it is imperative that you name the forgers and distance yourself from them?

15) If there was no investigation against the Bachchan brothers, Snam Proggetti and the Noah Group of hotels, do you realize that these persons/institutions would not be under the tremendous cloud of suspicion they are now under? Don't you agree that truth about corruption has had a strange, almost ironical way of emerging in the present case?

On Defense Deals

Calcutta THE TELEGRAPH in English 9 Jul 87 p 4

[Text]

New Delhi, July 8: Mr Ram Jethmalani's letter to the Prime Minister, Mr Rajiv Gandhi, today charged Mr Gandhi and his government with buying, on more than one occasion, sub-standard defence equipment because of kickbacks to decision-makers.

He posed 18 questions

1. Have you heard of one Mr Mehtani who was the special assistant to Mr Bansi Lal when the latter was the defence minister in Mrs Gandhi's government?
2. Does his name ring a bell in connection with the purchase of naval aircraft carrier Hermes by India from UK? (The arrival of this aircraft carrier pursuant to the purchase was celebrated amidst much fanfare sometime back and a ceremony was held to mark the acquisition of this vessel by the Navy).
3. Do you remember that the acquisition of the vessel was the subject matter of considerable consternation among the inner circle of the government? Do you also remember that you personally had to intervene to ensure that the matter was not exposed outside this inner circle?
4. Is it not correct that some of your close cronies hushed up the matter in spite of Mr V.P. Singh's effort to get at the truth of the matter?
5. Is it true that the enforcement directorate raided the premises of Mr Mehtani in the year 1985 and seized highly incriminating material concerning certain defence contracts outside India?
6. Is it true that the enforcement directorate discovered that Mr Mehtani maintained an up-to-date schedule of 30 ongoing defence contracts with meticulous reference to government files in regard to each contract?
7. Do you know that during the raid on Mr Mehtani the enforcement directorate came across clear evidence of involvement of middlemen in the contract with Hermes as well as the payment of huge kickbacks and commissions ostensibly to such middlemen?

8. Do you remember that based on the data uncovered Mr V.P. Singh wanted to act in the matter and tried to enlist the cooperation of the defence ministry to bring the culprits to book?
9. Is it not true that in the process you were alerted and intervened in the matter as a result of which the enforcement inquiry was hushed up in a matter which very seriously incriminated yourself?
10. Is it not true that a member of your inner circle personally brought the file to you which contained the facts uncovered by the enforcement directorate and apprised you of the dangerous implications (for you) of the inquiry?
11. Can you deny that Mr S.K. Bhatnagar your trusted erstwhile defence secretary, who is the central figure in many defence deals was recruited by you to assist in the hushup?
12. Can you deny that after a well-enacted drama, Mr Bhatnagar persuaded Hermes to reduce the price of the vessel by two per cent so that no further inquiry could be conducted by the enforcement directorate officials?
13. Indeed was not Mr V.P. Singh pre-empted from continuing with the investigation on the ground that Hermes have agreed to reduce the price and desist from employing middlemen?
14. Is it not true that on its part the enforcement directorate believes that the payoff involved in the Hermes deal is seven per cent and is in any event in excess of two per cent which was the reduction obtained as a result of Mr Bhatnagar, which efforts were merely a theatrical exercise designed to stifle the investigation?
15. Can you deny that the price reduction obtained was a mere red herring managed by Mr Bhatnagar in collusion with your close cronies to suppress the truth?
16. As the enforcement directorate is under your control today what do you propose to do in the Hermes matter in which I publicly charge you with hushing up

the inquiry and shielding someone so close to you that one could say you yourself were being shielded?

17. Is the nation not entitled to know what is the state of the 30 pending ONGC/ defence contracts obviously being monitored by Mr Mehtani, who he was monitoring it for and what was the kickback or the commissions in each and who received the kickbacks and commissions? 18. If you have nothing to hide, will you kindly reveal the truth about these 30 ONGC/ defence deals abroad and the mystery behind the price reduction in the purchase of S.S. Hermes?

Rajiv's 'Cronies'

Calcutta THE STATESMAN in English 11 Jul 87 p 7

[Text]

NEW DELHI, July 10.—Mr Rand Jethmalani said in his 23rd letter to the Prime Minister from Bombay today: Red herrings do not constitute refutation I have read with interest the statement by the British Embassy that there were no middlemen in the Hermes deal. I fully accept the statement of the embassy but kickbacks are paid without there being any middlemen.

These can be negotiated and settled by a bureaucrat, Minister or a friend without his being technically a "middleman", in the sense of being officially and legitimately an agent. Do not, therefore, draw any comfort from the British denial.

Today's questions pinpoint the amazing phenomenon of your cronies graduating within record time from penniless nobodies to filthy rich. I don't believe you ever developed the Midas touch. You showed no symptoms of it until you got into the political saddle, giving you influence over the finances of the nation.

The questions are:

(1) Satish Sharma and his Dutch wife are your very intimate friends and Satish (called Setish) was your colleague in Indian Airlines?

(2) What were his special qualifications for which like you, he gave up his job and has now been catapulted into the position of a senior statesman of the country?

(3) Can you deny that this was a decision prompted by you and induced by promises of political patronage and lucrative opportunities of making quick wealth?

(4) Over the years, has he or has he not been one of your principal advisers, lording over the most experienced and honest officers who have served the nation well?

(5) Can you cite one instance where you profited by his sage advice and he made a serious or significant contribution to the solution of any of the grave problems facing the nation?

(6) Is it true that only about five years ago, he could not afford more than an old dilapidated car or boast of real estate or a sizable bank balance?

(7) Have the Press reports of his conspicuous wealth attracted your attention? (incidentally it included expensive cars, shops in posh localities where every one knows that crores have to be paid to acquire them, and an extensive farm house near the one you own. In both, Italian marble tiles have been generously used.

(8) Were the Italian marble tiles a gift from some grateful Italian or were they paid for? Was a valid import licence obtained? If no, why were they allowed to be cleared?

(9) Do you accept the proposition that a member of Parliament though technically not a public servant is morally and politically accountable for possession of assets disproportionate to his known sources of income?

(10) Did you cause any inquiries to be made through our investigative agencies after responsible newspapers openly made charges against your friend?

(11) Have you already accepted your friend's explanation that his wealth is the product of intelligent investments and the significance of this genius sprouting forth only on political partnership with you has been totally missed?

(12) Do you consult other advisers when any one like Satish Sharma comes under public gaze and would you please tell us what Gopi Arora and M. Fotedar think of the spectacular rise of Satish Sharma?

More on Bachchans

Calcutta THE TELEGRAPH in English 13 Jul 87 p 4

[Text]

New Delhi, July 12: Mr Ram Jethmalani today sent another set of 10 questions to the Prime Minister, Mr Rajiv Gandhi.

Mr Jethmalani apologised to Mr Gandhi and the readers of these questions for the special attention that he has devoted to the Bachchans. "But I am constrained to do so because both are acting in close concert and both in turn claim to be acting in concert with you. It must be so if you got one of them from the unreal world of celluloid into realpolitik," he says.

(1) I am reproducing here below the text of a letter from the Swiss embassy relating to obtaining residency in Switzerland:

"I refer to your letter dated March 4, 1987 and I give you below the main condition in order to acquire Swiss citizenship.

You have to be a resident in Switzerland for at least 12 years before being able to apply for Swiss citizenship. To become a resident you will have to make a formal request giving the exact details of what kind of business you would like to set up in Switzerland. The decision will be taken by the Swiss authorities.

However, I must point out that at the present residency in Switzerland to foreigners is only granted in very particular cases.

With kind regards, I remain, yours sincerely."

Do you deny that you helped Ajitabh Bachchan to make out a very special case for being allowed to live and operate in Switzerland?

(2) Are you prepared to ask the Bachchans to produce before the people of India the following documents?

(a) The document of purchase of the apartment of which I published the address in the newspapers dated 8-7-1987.

(b) An authenticated copy of the fire insurance policy of this apartment.

(c) An authenticated plan or map of the apartment.

(d) The bills received by the Bachchans from the Aiglon

School for their children's education and boarding.

(e) The unlisted telephone number at the said apartment and the telephone bills.

Do you appreciate that instead of my calling for these documents the directorate of enforcement should be already doing this job and are you prepared to order the directorate of enforcement to issue a requisition under Fera for supply of this information?

(3) Do you recall that you own a vast area of land in Dehra Mandi village located in the south of Delhi which since the date of acquisition is today priced at about 25 times. Can you deny that your friend, Satish Sharma, and your minister, Arun Singh, also have farm houses in Dehra Mandi?

(4) Is it also true that the two Bachchans have also purchased large pieces of land in Dehra Mandi.

(5) Are you aware that 11 villages situated in the south of Delhi were notified for acquisition by the government through the Delhi Development Authority? Is it true that the property which was notified for acquisition was planned to have a boundary which cut through three villages including Sultanpuri and Dehra Mandi villages?

(6) Is it true that another big farm house of yours is located in the Sultanpuri village?

(7) Is it true that to spare your properties from acquisition the boundary of the acquired property had to be diverted creating an unnatural gap in contiguity and disturbing the purpose of the acquisition?

(8) Is it possible to explain this strange phenomenon except upon the hypothesis that you and your friends, by reason of your political clout, are above the land acquisition law?

(9) Are you aware that the acquisition of farm land without any farming and retaining it vacant and uncultivated is detrimental to the food resources of the nation?

(10) Has the special scandal known as the 'Lal Dora Scandal' come to your knowledge?

Further on Bachchans

Calcutta THE TELEGRAPH in English 14 Jul 87 p 4

[Text]

New Delhi, July 13 Today's 10 questions posed to Mr Rajiv Gandhi by Mr Ram Jethmalani deal with how Mr Gandhi has patronised Amitabh and Ajitabh Bachchan.

The questions are:

- 1) 1) Are you aware that for some time we have established a free trade zone at Kandla port? (I presume you are aware. This is intended to bolster up Indian export trade and the earning of foreign exchange, particularly hard currency. Since your friends claim that you know everything about them, I presume that you are aware how this facility is being used for directly the opposite purpose of debilitating and destroying India's foreign exchange position.)
- 2) Are you aware of the existence of two companies—Menon Impex Private Limited and Ipcia Laboratories Pvt Ltd? Are you aware that both these companies carry on no operations of any kind? (They operate on what is popularly known as "screw driver technology". They import equipment in semi-knocked condition, merely assemble it and re-export it.)
- 3) Have your governmental agencies ever checked whether India pays for the imports in hard currency and we get in return as a result of the operation of these two companies only soft currency?
- 4) Has anyone realised and informed you that what your friends are doing in substance is to keep selling hard currency which is scarce for Indian rupees and pocketing the profits without so much as paying anything by way of tax? Is this the purpose for which a free trade zone is established? (I understand it was established for people who want freely to import for their manufacturing operations and who wish to earn foreign exchange by exporting the manufactured goods.)

5) Is it or is it not true that most of their trade consists of re-export to the Soviet Union? (If the Soviet Union directly imported these goods it will have to pay its own hard currency. Now it is getting goods with India's foreign currency and in exchange giving the Bachchans the rupees.)

6) Has anyone in your government realised that this is a device by which the Soviet Union enriches some of your friends who hold vast tax free profits for sharing with their patrons and using the money to finance political and other illegitimate purposes?

7) Have you heard of still a third company called M/s Indsu? Are you aware that this too is a Bachchan company? Are you aware as the name suggests that this too specialises in trade between India and the Soviet Union?

8) Has anyone supervised the operations of this business concern and determined their real nature?

9) What is your government's reaction to an illustration which I am furnishing you? On December 12, 1986 this company imported 27 containers of hemodialysis machines which are advanced electronic equipment for medical treatment. Within three days, that is, on December 15 and 16, these were re-exported without anything being done to the machines. Can you or your friends explain why the buyers of these machines could not directly import them and had to route them through the Bachchans and Kandla?

10) Who has brought the Bachchans into trading contacts with the Soviet Union? (I guess you put in a word with Comrade Gorbachyov. This is the Comrade's way to save you from being destabilised.)

Questions on Westland Deal

Calcutta THE TELEGRAPH in English 15 Jul 87 p 4

[Text]

New Delhi, July 14. Noted jurist Mr Ram Jethmalani today posed a set of 16 questions on the Westland helicopter deal to the Prime Minister, Mr Rajiv Gandhi.

Mr Jethmalani said that he was "simply amazed at the extent to which you (Mr Gandhi) have ravaged this country's meagre fortunes merely to accumulate enormous assets overseas. You can continue to ignore my questions with impunity, but, I have not the slightest doubt that some day, you will answer for your misdemeanours to the people of the country." His questions are:

- (1) Are you aware that India has acquired a fleet of 46 helicopters out of which, half the strength of that fleet was purchased from Westland helicopters, UK?
- (2) Were you not aware prior to the purchase of these helicopters in 1986 that the helicopters were technically defective and carried a heavy operation cost?
- (3) Is it not correct that almost every official and technical expert of the government of India to whom the question of purchase of Westland helicopters was referred, strongly advised against the purchase on a number of grounds? Is it further true that one official even noted that the operational cost of the helicopters was so high that even if they were gifted to the nation, the acquisition was not worth the while?
- (4) Do you recall your statement in Parliament in the Budget session of 1985 to the effect that even if Westland gifted their helicopters to India, India would not Acquire them?
- (5) Do you also recollect your statement to *The Times* London in April, 1985? (If you do not, I will remind you that you told *The Times* that the Westland helicopters were not viable from the Indian government's standpoint, both technically and commercially.
- (6) Why then did you authorise or permit the purchase of these

very helicopters in 1986? Indeed, what developments took place between your statement in Parliament in 1985 and early 1986 when the government approved the purchase of 21 Westland helicopters?

(7) Is it not correct that in the end of 1985, Westland Helicopters was taken over by Iveco, an Italian company and Sikorsky, an American concern?

(8) Are you aware that the Italian-American consortium mentioned in the last question, invested £75 million in Westland in March 1986, only because, they were assured that India would purchase the said 21 helicopters?

(9) Do you know that after the Indian deal was concluded in 1986, Westland Helicopters reported a pre-tax profit of £26.4 millions in the 12 months ending September 1986, against a pre-tax loss of £95.3 million for the corresponding previous year?

(10) Do you know that India is the only country to purchase the Westland helicopters? Do you know that a leading financial magazine commented that "the Indians bought the Westland E-30 reluctantly and the chances of further orders are slim"?

(11) Do you know that out of the 21 Westland helicopters acquired and 13 delivered, 7 are completely grounded and are lying in dis-use at Hindustan Aeronautics Limited, Bangalore, because, their rotors are not working?

(12) Are you aware that no helicopter-using organisation like the ONGC or such others in the public or private sector, is willing to acquire the Westland helicopters?

(13) Can you explain why you chose to saddle the country with such junk consciously and deliberately? Was there any compelling reason to cause such a grievous loss to the country?

(14) Can you deny that the only reason why you withdrew all your previous objections to the purchase of Westland helicopters, was the entry into the picture of the Italian company, Iveco and the bargain made with

you? Or, were there other reasons behind the purchase that made you ignore your previous statement that you would not accept the said helicopters even if they were gifted to the country?

(15) Is it not true that in anticipation of the exposure of the Westland helicopters deal, you have already started floating rumours that the purchase was part of an aid-programme (which is a total falsehood)?

(16) (An evening paper in Bombay reports that your law minister has nominated Mr A.R. Antulay to reply to my questions.) Can the prime minister of this nation not find a better lawyer than a man whom he publicly accused in 1985 of misusing his mother's name to make money, and who is presently facing corruption charges in court?

On Airbus Deal

Calcutta THE TELEGRAPH in English 16 Jul 87 p 5

[Text]

New Delhi, July 15: Noted jurist, Mr Ram Jethmalani, has sent another set of 10 questions to the Prime Minister, Mr Rajiv Gandhi, in connection with the purchase of 21 Airbus aircraft in 1985-86. The questions are:

(1) Is it correct that in the year 1985-86, Indian Airlines decided to purchase 21 Boeing 757s, and the letter of intent was accordingly issued to the Boeing company?

(2) Is it not true that within a short time after the letter of intent was issued, you personally intervened and cancelled the letter of intent?

(3) Is it correct that almost immediately after the cancellation of the Boeing letter of intent, the government of India decided that an equal number of Airbus aircrafts should be purchased?

(4) Is it correct that the total cost of the 21 Airbus aircraft was in excess of Rs 1,600 crores?

(5) Can you enlighten the nation as to what was the ostensible

reason for the withdrawal of the letter of intent issued to the Boeing company within weeks of the issue of the letter?

(6) Since the decision to purchase the Airbus aircraft was taken almost immediately after the cancellation of the Boeing contract, would it be correct to say that you only wanted to cancel the Boeing contract in order to award it to Airbus?

(7) Was there any technical or commercial reason for the sudden switch over from Boeing to Airbus within a matter of weeks, and even though, the Indian Airlines had earlier opted for Boeing after considerable deliberation?

(8) Is it not correct that the V. 2500 engine of the new Airbus did not perform well in the first test, and that there is considerable anxiety about their operational capability in civil aviation circles?

(9) After all the expert assessment in respect of the most

suitable aircraft to be purchased had been completed and the letter of intent issued to Boeing, what was the provocation for you personally to intervene in the matter? Was your intervention spontaneous, or, did somebody else interest you in Airbus and away from Boeing?

(10) Is it correct that Satish Sharma, your co-pilot in the past and currently one of your favourite advisers, in his capacity as head of the Flying Society in Delhi, wrote to flying clubs all over India to buy a particular variety of training aircraft from abroad? Was this done under your instructions, and if so, why?

Links With Yunus

Calcutta THE STATESMAN in English 17 Jul 87 p 4

[Text]

BOMBAY, July 16.—Mr Ram Jethmalani says in his 27th letter to the Prime Minister:

The 30 days period is coming to an end. I must either skip some questions or extend the inquest. It is important that people should know some significant streaks in your character. This becomes manifest usually from the company that one keeps. Today's questions are directed towards this discovery:

Is it right that Mr Mohammad Yunus of the Trade Fair Authority fame is a very intimate friend of your family who misses no opportunity to declare his loyalty to your family?

Did you utilize this family friend to publish an expensive and illustrated book containing one of the foulest and meanest attacks on the sexual moral of the unfortunate Maneka Gandhi, your own sister-in-law?

Am I right that this book was written with your full concurrence and knowledge and you distributed it freely during your election campaign in Amethi?

Is it true that the son of Mohammad Yunus, by the name of Adil Shahryar was involved in one of the most heinous offences of loading a ship with dynamite, making it blow up on the high seas and claiming insurance moneys?

Is it true that he was convicted by an American court and sentenced to rigorous imprisonment for 35 years?

Do you recall that after you became the Prime Minister, you had a much publicized visit to the USA? (You had declared that improving relations with that great democracy and acquisition of their latest technology were two of your principal objectives.)

Can you tell the nation what you brought back from the USA by way of any concrete results furthering the national interest of India?

Is it true that whatever else you did or did not bring, you brought back Adil Shahryar, a dangerous convict?

Is it true that you made a special request to the American Administration for the release of this family friend and you personally

secured a pardon for him?

Are you prepared to release such correspondence as it exists on this topic between the Indian authorities and the American Government and, in particular, between you and the State Department?

What was your motive in securing the release of this convict? (Sometimes, States secure the transfer of convicts for the purpose of keeping them in their national prisons. Obviously, this was not your object.)

Is it true that Mr Adil Shahryar has now been rehabilitated in lucrative business in a manner which has already attracted public attention?

(Quite a few Indians are from time to time convicted and languishing in American jails.) Has your Government shown any solicitude for anyone other than Adil Shahryar, the son of Mohammad Yunus in the long history of Indo-American relations?

What price did you pay for getting this man released?

Questions on Swiss Accounts

Calcutta THE TELEGRAPH in English 18 Jul 87 p 6

[Text]

New Delhi, July 17: The following are the questions of Mr Ram Jethmalani for the day:

Dear Prime Minister,

After reading this morning's newspaper, I would heartily recommend that you read Barbara Tuchman's book, *March of folly*. If I knew that you read books, I will buy a copy and present it to you. From the ancient Greek story of the Trojan Horse to the war in Vietnam, the book tells an amazing story of how wooden-headed governments refused to be deflected from the path of suicide despite glaring evidence beckoning them to act otherwise. So, you finally eased out the honest V.P. Singh from your party. The people of this country will no longer need any evidence that you are determined to perpetuate corruption and use all your energies to prevent damning exposures. You tried to create an impression that you had sent an official team to Switzerland to discover the truth about Swiss bank accounts. The object of today's questions is to show how hypocritical your claim is:

- 1) Have you heard of Swraj Paul, a London-based businessman who recently was trying to acquire interests in Escorts and other companies in India?
- 2) Isn't he a great friend of your family, enjoying confidence and patronage of your late mother, your late brother and thereafter yourself?
- 3) Are you aware that one Nissim Gaon of Switzerland instituted a suit in the Swiss courts for attachment of moneys amounting to about \$4.5 million which had been paid into Swiss bank accounts?
- 4) Are you aware that in this suit, Swraj Paul was one of the defendants and Mr Gaon's allegation was that the amount had been paid into Swraj Paul's

account as he was holding it on behalf of key public servants in India, including the chairman of the State Trading Corporation, the amount having been paid as a kickback on the STC sugar deals?

5) If you were not already aware of this, did you become aware of it when I recently wrote you a letter, apprising you of all the facts?

6) Can you deny that particulars of the Swiss accounts into which these kickbacks were paid, are mentioned in the papers which are in the possession of your policy in Delhi, because, the police had investigated this case in 1978?

7) If you are keen on unearthing Swiss bank accounts, why have you and your police refused to give me inspection of these papers when I feed these papers and the particulars of the Swiss bank accounts in connection with some libel proceedings in a London court?

8) Did I write to you and inform you and your minister of state Chidambaram that your police force headed by Mr Mohan Katre is not disclosing these papers to me because they do not want the exposure of Swiss bank accounts in which Indian public figures and your family friend are involved.

9) (In spite of my approaching your government, I did not get the papers and I approached the high court of Delhi and a judge of the high court has issued a writ of mandamus directing the police (CBI) to give me inspection.) Is it true that in spite of this high court order, inspection was refused and now you have engaged the solicitor general to press and argue an appeal against the decision of the single judge of the high court?

10) (In spite of my writing to you

so as to leave you no excuse of want of knowledge about your subordinates' actions, you are persisting in your attempts to suppress the papers) Is it not true that at your instance, your minister of state Chidambaram wrote to say that the appeal is being pressed because these are important questions of law involved?

11) How do you justify to the people of this country expenditure of government money to prevent a citizen from securing information and justice in a London court against a non-resident British national, merely because the latter happens to be a friend of your family?

You will doubtless rejoice that today is the 29th day of my questions, but let me tell you that these questions will haunt you for quite some time.

Yours sincerely,
Ram Jethmalani

On Bachchan Resignation

Calcutta THE TELEGRAPH in English 19 Jul 87 p 5

[Text]

New Delhi, July 18: In what he called the "last in the present series of questions," Mr Ram Jethmalani today queried the Prime Minister on the circumstances under which Mr Amitabh Bachchan resigned from the Lok Sabha yesterday. The following are the questions:

- 1) Is it not true that when you decided to forward Amitabh's resignation to the Speaker, you were satisfied that he has no credible explanation to offer?
- 2) Have you considered the impact of your action on conduct and your immediate public duty?
- 3) Have you sat down and coolly considered whether there is at least reasonable suspicion calling for a thorough investigation by an impartial agency?
- 4) How can you discharge the duties of your office with a thick cloud of suspicion hanging around you? In particular, how

can you deal with foreign governments and potentates including Comrade Gorbachyov when much more than half the nation is in serious doubt about your integrity?

5) Have you considered stepping aside from the office of Prime Minister (retaining all the perks, privileges and security arrangements) while an impartial investigation is in progress?

6) Do you realise that the country is fast sliding into a Marcos-Imelda situation which does not augur well for you or anybody else?

7) Is there any one in your party whom you can trust to act in your place only temporarily and put you back in office should you clear yourself and establish a "Mr Clean" image?

8) Is there any free and democratic country in the whole world where a person placed in your

circumstances has stuck on to office, destroyed the whole legal fabric and made a mockery of the "rule of law"?

9) Are you not creating chaos in the country by instigating or not condemning acts of violence and/or obstruction directed towards your critics?

10) Do you have the wisdom to understand that when people get angry and their anger cannot be canalised into legitimate channels, there is likelihood of uglier manifestations? (History has known rulers being flogged and guillotines. In a democracy, we just do not do either, but people in power must conform to some norms of public conduct.)

I bear you no ill-will or malice, but this unfortunate country cannot just bear the volume of corruption that has come to flourish in your regime.

Jethmalani Press Conference

New Delhi PATRIOT in English 13 Jul 87 p 6

[Text]

Gwalior, July 12 (UNI)—Noted lawyer Ram Jethmalani today said the purpose behind his putting in questions to Prime Minister Rajiv Gandhi daily was not to embarrass him but present the "true picture" before the people.

Addressing a press conference here, Mr Jethmalani said he had enough evidence against Mr Gandhi on the basis of which the latter could have been punished had there been a jury in the sessions court.

He regretted that President Zail Singh did not permit him to file a case against Mr Gandhi. "Now I am presenting a case against him in the people's court".

He said the Prime Minister could inquire into "the charges that I have levelled against him and if they are found true, Mr Gandhi should resign".

Referring to the Punjab problem, Mr Jethmalani said it could neither be solved by Governor S S Ray nor by Director General of Police J F Reheiro. "The problem can be solved by adopting the Gandhian path".

He said there were no differences between Hindus and Sikhs but Pakistani intruders were trying to create a communal rift between them.

He recalled that at his meeting with United Akali Dal leader Simranjit Singh Mann, now under detention, the latter had condemned terrorism and called for Hindu-Sikh unity.

"Mr Mann is the only Sikh leader who commands respect among Sikhs and the Government should invite him for talks on the Punjab issue".

He said "Sikh terrorism" could not be wiped out by "State terrorism".

Asked about the assassins of Indira Gandhi, Mr Jethmalani said he was defending Balbir Singh and Kehar Singh in the court", and I feel they are innocent".

He said he had of late, been thinking of forming a new political party "but my age is not permitting me to work in this direction".

He said the country should have a united opposition which should not fight for seats but work for the uplift of the people.

Describing opposition Presidential candidate Krishna Iyer as a "saint", Mr Jethmalani expressed the hope that the Bharatiya Janata Party would extend its support to the former Supreme Court judge.

Counsel in Gandhi Murder Case

Madras THE HINDU in English 17 Jul 87 p 9

[Text]

NEW DELHI, July 16.

The Supreme Court today passed orders, appointing Mr. Ram Jethmalani as senior counsel for two of the three accused, Kehar Singh and Balbir Singh, in the "Indira Gandhi murder case," in their appeals in the Supreme Court.

The Bench, consisting of the Chief Justice, Mr. R. S. Pathak and Mr. Justice M. H. Kania, said that these orders, passed on the request made to the court on behalf of the appellants, were subject to Mr. Jethmalani's agreement.

These orders were made on applications made by counsel, Mr. R. S. Sodhi, on behalf of the two accused, praying the court to appoint Mr. Jethmalani as senior counsel at State expense to argue their appeals against the Delhi High Court

judgment, confirming the conviction and death sentence imposed on each by an additional sessions judge of Delhi.

About the date for hearing of the two appeals and another connected appeal by Satwant Singh, another accused, the Bench said that counsel for accused and prosecution would indicate to the court an agreed date.

The Bench also directed that the entire original records be called from the High Court.

According to counsel for the accused, the other accused, Satwant Singh, had not so far desired appointment of any senior advocate to argue his appeal.

Earlier, Mr. Sodhi prayed that Satwant Singh be operated for removal of a bullet from his spine. The

Additional Solicitor-General, Mr. G. Ramaswamy, appearing for the Delhi administration, said that it was a major operation which might result in his becoming paralytic. He assured the court that the accused would be given the best medical treatment.

According to the prosecution, this was one of the bullet wounds sustained by Satwant Singh on October 31, 1984, when the security guards in the then Prime Minister, Indira Gandhi's house opened fire on him.

/13046
CSO: 4600/1874

ZAIL SINGH MEETS REPORTERS ON ELECTION EVE

Bombay THE TIMES OF INDIA in English 15 Jul 87 p 1

[Text]

BANGALORE, July 14.

THE President, Mr Zail Singh, today dropped enough hints to suggest that while he had been nice and sweet to Mr Rajiv Gandhi, the Prime Minister had been unkind to him.

At a farewell meeting with reporters in Bangalore this evening, the President said he had no intention of commenting on any issue as long as he was in office. "I do not want to break conventions. I will be a free man on July 25 and thereafter I will speak," he said.

In his hour-long reception to journalists (that is how the event was described by Mr Zail Singh himself), the President, however, recited several Urdu couplets that clearly showed his frame of mind.

In fact, he recited a couplet entirely out of context but clear in its message, "Main jin haaton men phool ke guldaste dekar ayatha, ab wohi haat pattar lekar meri talashme hai (The hand in which I had placed a bouquet of flowers is today after me with a stone.)"

At the outset, Mr Zail Singh made it clear that he was not addressing a press conference as some newspapers had publicised. "I am here on a farewell visit as President and I did not want to conclude this visit without meeting you. I wanted to thank the people of Bangalore and Karnataka for the affection they have shown," he said and added, "I will be grateful if you do not ask questions. If you do I will not answer them."

Despite his plea, reporters persisted with questions on the relationship between the President and the Prime Minister, his own assessment of the situation in the country, what he thought of Mr Gandhi and so on.

The President, however, parried each one of the questions by breaking into a couplet or by politely declining to answer.

"I will talk about the situation in the country after I am free. Till the next President is sworn in, I have no intention of either violating the Constitution or breaking convention," he said.

Asked his views on Mr Gandhi, he said, "What do you expect me to say? My Prime Minister is all right."

While he declined to comment on the Political situation, he recited another couplet which reads (when translated), "Aspects of refusal are present in every act of acceptance and love these days is taking the shape of politics."

He made it clear that there was nothing personal in the correspondence between him and Mr Gandhi.

On his own future plans, he merely recited another couplet which means, "It is my desire that everybody should have bliss and I am a lamp to light their way."

UNI adds: Mr Zail Singh said he might write another letter to the Prime Minister before his retirement should the occasion demand it.

He told newsmen, 'Principles cannot be sacrificed.' The letters he had written to Mr Gandhi were not personal.

He said so long as he remained the President, he would never break the conventions nor violate the Constitution.

Mr Zail Singh has decided to take up residence in Delhi after he demits office on July 24.

The President told reporters that the Karnataka chief minister, Mr Ramakrishna Hegde, had invited him to stay in Bangalore.

"While I am grateful to him and the people of this city, for the present I have decided to stay in Delhi," he said.

Mr Hegde called on the President soon after he arrived in Bangalore on his farewell visit. Mr Zail Singh was received by the governor, Mr A. N. Banerji and the chief minister.

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CSO: 4600/1867

PAPERS REPORT TOURISM MINISTER'S RESIGNATION

Letter to Gandhi

Bombay THE TIMES OF INDIA in English 15 Jul 87 pp 1, 9

[Text]

NEW DELHI, July 14.

MUFTI Mohammed Syed, Union minister for tourism, resigned from the cabinet today, complaining about the plight of Congress workers in Jammu and Kashmir, and blaming the government and the organisation for their failure to fight communalism.

In a letter to the Prime Minister, Mr Rajiv Gandhi, released here today, the Mufti referred to the recent Meerut riots and said that the secular fabric of the country was being torn asunder.

Because of "our acts of omission and commission in Jammu and Kashmir and in the other parts of the country the evil of communalism is gaining strength even in our state," he said.

The Mufti asked the Prime Minister: "If the Congress worker becomes a victim of communal passion, if the government is' dialatory and negligent in dealing firmly with communalism, how will the Congress be able to safeguard national unity?"

The Mufti felt that effective steps had not been taken to give a sense of belonging and involvement to Congress workers in Jammu and Kashmir.

He reminded Mr Gandhi that earlier he had sent his resignation on March 23, on the day of polling in Jammu and Kashmir. He wanted to stand alongside the ordinary Congress worker in his state at a time when a large number of them who had suffered and sacrificed for the Congress felt lost and left out.

"When you asked me not to press for its acceptance, I had hoped that effective steps would be taken to give Congress workers a sense of belonging and involvement. That hope has not been realised," the letter said.

Here is the text of the letter:

Dear Prime Minister,

The presidential election is over. As a congress worker, who has been extremely worried about the recent developments in the country, I feel a sense of pride that our party has demonstrated exemplary unity at this juncture. Every congressman and woman has risen to the occasion to meet a serious challenge. But there is no room for complacency. The question remains: Where do we go from here?

Congress is my home — political and emotional. A humble worker like me, hailing from a remote Kashmir village, would not have reached where I have, except for the traditions of this great national organisation. All through my political life, I have shared moments of pleasures and pain with congress workers, particularly of Jammu and Kashmir, in the same way as one shares joy and sorrow with family members. Since November last, I have been torn between two conflicting emotions: to refrain from doing anything which could even remotely harm the party and to stand alongside the ordinary Congress workers in Jammu and Kashmir at a time when a large number of them, who had suffered and sacrificed for the Congress, felt lost and left out. That is why I had sent you my letter of resignation on March 23, 1987, on the day of polling in the Jammu and Kashmir election was over. When you asked me not to press for its acceptance, I had hoped that effective steps would be taken to give to the Congress workers a sense of belonging and involvement. That hope has not been realised.

After coming to Delhi, I have been observing more closely than earlier, the events in the rest of the country. The monster of communalism is eating into

the vitals of national unity. After my visit to Meerut, I had occasion to apprise you of the horror I witnessed there. If victims of communal carnage lose hope of safety from the administration charged with the duty to protect them, if Congress workers become victims of communal passion, if the government is dilatory and negligent in dealing firmly with communalism, how long will we be able to safeguard national unity? If the Congress does not uphold the banner of secularism with seriousness and resolute determination, who else will? What I saw in Meerut has shaken me to the bones. What has saddened me more is the inadequacy of our response. For us in Jammu and Kashmir, secularism has been the most cherished ideal. To see the secular fabric of the country being torn asunder is an unbearable agony for workers like me. In fact, because of our acts of omission and commission in Jammu and Kashmir and other parts of the country, the evil of communalism is gaining strength even in our state.

As a nation and as a party, we are standing at the crossroads of history. The legacy of socialism, secularism, nationalism and democracy bequeathed to us by our great leaders is in peril. We cannot successfully meet the present challenges unless we act with sagacity and dedication to build a strong and united party which will carry credibility with the people. A vibrant congress organisation with highly motivated workers ready to fight for its lofty ideals alone can safeguard the party's great heritage. Such an army

of workers can be built and sustained only if they feel that the leaders care for them and stand by them, that they are fighting for some ideals and for a cause. They must have a sense of belonging and involvement in the affairs of the party. Indiraji's martyrdom unleashed in the country an emotional upsurge. We have not succeeded in consolidating and galvanising it. Precious time has been lost. If we act swiftly and sincerely even now, it may not be too late.

I am grateful to you for giving me an opportunity to serve in your council of ministers. But I feel my duty at present is to do my humble bit to strengthen the Congress organisation, because the fate of the country is inexorably linked with that of the Congress. I will have a sense of fulfilment if I could participate in the struggle for secularism and other lofty ideals which I have imbibed from this great organisation. Nothing will give me greater joy than to be with the Congress workers of Jammu and Kashmir.

The forces of reaction and communalism threatening the country are vicious and are becoming powerful. I am conscious of my limitations. But the cause is important and, therefore, worth the effort and sacrifice all of us can make individually and collectively.

I am, therefore, sending this letter of resignation from the Central council of ministers. I shall be grateful if you will kindly accept it with immediate effect.

Thanking you,

With regards,
(Mufti Mohamed Sayeed)

Implications to Congress-I

Madras THE HINDU in English 16 Jul 87 p 9

[Text]

NEW DELHI, July 15.

The resignation of Mufti Mohammed Sayeed from the Union Cabinet has serious implications for the Congress (I) in its present difficult juncture. This is so even though mutually conflicting interpretations are being given to his resignation.

The Mufti may be a new recruit to the ginger group, gradually emerging in the ruling party. And the fact that he is the victim of the accord between the Prime Minister, Mr. Rajiv Gandhi and the National Conference leader, Dr. Farooq Abdullah, before the Assembly elections—that led to the latter becoming Chief Minister—will be raised by those who have been critical of New Delhi's 'appeasement' policies.

Some see it as a case of the Mufti leaving a sinking ship; Others feel that he has made a virtue of inevitability and merely forestalled his exclusion from the Union Cabinet in the next reshuffle. But the Congress (I) could not afford to

ignore some of its consequences. In his letter of resignation, the Mufti dwelt at length on the Meerut riots and the inadequacy of the response by the Government and the Congress (I) to the challenge to secularism.

After thought: Meerut, clearly, is an afterthought for the reasons for his resignation are to be found mainly in the peculiar turns of the politics in Jammu and Kashmir. He first resigned on March 23—on the day the polling for the Assembly election in the State was over,—long before the communal trouble erupted in Meerut. His step now, as the Mufti says in his letter to the Prime Minister, is in continuation of his decision nearly four months ago. And the earlier step—as was clear from its timing and the circumstantial evidence—was linked to the aftermath of the Kashmir accord.

The Mufti was a staunch opponent of any arrangement between the Congress (I) and the National Conference, and was considered responsible for the confrontation between the two

parties. He is credited with prompting the Congress(I) to instal a minority Government of the National Conference defectors, headed by Dr. Abdullah's estranged brother-in-law, Mr. G. M. Shah. That experiment cost the Congress(I) and the State heavily, forcing the Centre to review the situation and adopt an attitude of conciliation towards Dr. Abdullah.

The Mufti thus lost his relevance in the State politics. Realising this, Mr. Rajiv Gandhi pulled him out from there and inducted him to the Union Cabinet. The Prime Minister took these steps some four months before the accord to ensure a smooth sailing for the new policy. Despite his 'transfer' to the Centre, the Mufti felt sidelined. He made no secret of his unhappiness when his supporters were conspicuously missing in the list of the Congress(I) nominees for the Assembly poll, which the party contested in collaboration with Dr. Abdullah. Later, he was virtually debarred from campaigning for the Congress(I) on the eve of the Assembly elections in his home State.

'He was proved wrong'

Our Delhi Staff Reporter writes:

There appears to be little doubt in Congress(I) circles as also its officialdom that the resignation of the Union Minister for Tourism, Mufti Mohammed Syeed is another example of the disenchantment with the prevailing leadership expressing itself in a vocabulary stressing an issue-based politics.

While party officialdom was quick to denounce the Mufti resignation as arising from his own 'individual interest', and expressed scepticism that the Meerut communal carnage was at the heart of his unrest, sources in the party said that they believed that the tone and content of the letter suggested that the Mufti had been strongly influenced by the line taken by the dissident group in the party, particularly the former Minister, Mr. Arif Mohammed Khan who had resigned two Mays ago on the Muslim Women's Bill.

Mr. Arif Mohammed Khan's basic political argument is that by succumbing to the pressure of communal and fundamentalist forces and compromising with them, as in the case of the Muslim Women's Bill, the Government was encouraging the politics of communalism and therefore communal violence. Only a few weeks ago, he had written a letter to the Prime Minister, Mr. Rajiv Gandhi on the Meerut violence. In that letter he argued that the Meerut incident had demonstrated that in contrast to the earlier period when the Government kept "communal forces at a distance", under Mr. Rajiv Gandhi's leadership "the distance between the Government and the communal leaders has disappeared." And "consequently communal forces and communal politicians have achieved a new lease of life and authenticity."

The Mufti's letter is being read in party circles as having strong shades of the arguments of

dissidents like Mr. Khan. In that letter, he expressed pain that the "monster of communalism is eating into the vitals of national unity." And he said, "if Congress workers become victims of communal passion, if the Government is dilatory and negligent in dealing firmly with communalism, how long will we be able to safeguard national unity?"

"To see the secular fabric of the country being torn asunder is an unbearable agony for workers like me. In fact because of our acts of omission and commission in Jammu and Kashmir and other parts of the country, the evil of communalism is gaining strength even in our State," his letter said.

The party's officialdom dismisses his expressed concern over Meerut as the reason for his resignation and asserts that it is the peaking of his sense of alienation that had begun with his opposition to the Congress(I)'s electoral accord with the National Conference in Jammu and Kashmir. The Mufti had argued that the accord with the National Conference would erode the Congress(I)'s own political organisation in the region.

Both the AICC(I) General Secretary, Mrs. Najma Heptullah and the Union Minister of State for Food and Civil Supplies, Mr. Ghulam Nabi Azad asserted here today that the Meerut riots were hardly the reason for the Mufti's resignation, especially as he had resigned earlier in March this year when no communal riots had taken place. The reason was his failure to reconcile himself to the accord between the Congress(I) and the National Conference, they said. Mrs. Heptullah maintained that the election results in Jammu and Kashmir had vindicated the policy of an accord as the party had won 27 seats, of which five were in the Valley where there had been only two Congress(I) seats earlier. Besides, she said, the accord had helped to isolate the fundamentalist forces and if the Mufti was unhappy, it was because his policy-line had been proved wrong.

However hard the party's officialdom tries to interpret the Mufti's action as "serving his own political ends", it is clear that they consider the timing of his resignation as of significance in the context of the rather flamboyant emergence of the dissident group led by Mr. V. P. Singh, Mr Arun Nehru and Mr. Arif Mohammed Khan. They believe that the Mufti was encouraged to resign at this juncture by the increasingly high-profile activities of this dissident group.

Some senior party sources said that these events as also the mounting unrest in party units in the various States like U. P., Bihar, Orissa and Maharashtra pointed to the need for the Prime Minister to revamp the PCCs, remove Chief Ministers who were obvious irritants in their party units and to streamline the AICC(I) without waiting for the party's committee on organisational elections to give its report. "Mr. Rajiv Gandhi has to take some positive action now on the party front, to show that he has the will to govern" said one senior party official.

RIGHT WING TO CAMPAIGN AGAINST SOVIETS, COMMUNISTS

Bombay THE TIMES OF INDIA in English 15 Jul 87 p 8

[Article by Dileep Padgaonkar]

[Text]

OVER the past months, the opposition's offensive against the government, spearheaded by the Right-wing, has focussed almost exclusively on the theme of corruption in high places. The success of the offensive, particularly in the media, can hardly be in doubt. It has caused serious embarrassment to the government and served to discredit the Prime Minister in the eyes of large sections of the public.

From all accounts, the opposition is determined to harp on the corruption issue in the months ahead. The next session of Parliament is certain to be dominated by the questions that Mr Ram Jethmalani has been raising daily in the press, as well as by charges levelled against the Prime Minister by other opposition figures, such as Mr George Fernandes. However, given the ruling party's steamroller majority in the two houses, the offensive will continue to be pursued above all through the columns of newspapers.

Now, however, the Right-wing appears to be all set to widen the scope of its offensive and to introduce highly volatile elements in the political debate. To put it bluntly, it is preparing itself to embark on a campaign against the two Communist parties and against the Soviet Union. The provocation for the campaign is the allegedly "treacherous" role the CPI and the CPM played in the presidential election and the support that Mr Gorbachov has extended to Mr Rajiv Gandhi in his struggle against the "forces of destabilisation." Armed with the arguments it used against Mrs Indira Gandhi in the late sixties and the early seventies, the Right-wing now appears to be keen to drive home the point that, as in the past, the two

Communist parties have come to the rescue of Mr Gandhi's beleaguered government at Moscow's behest.

Issue Of Probity

The veracity of this charge apart, the projected anti-Communist campaign — which could well appeal to substantial segments of the business community and the intelligentsia, particularly in the academic world and media — threatens to "internationalise" the domestic political debate in ways that could spell danger for the country. To some extent, the current debate has had an international dimension, what with the involvement of Mr Michael Hershman of Fairfax and the Swedish radio in the scandals relating to business malpractices, foreign exchange violations and kickbacks in defence deals. But this involvement regardless of the motives of these foreigners, has been confined to the issue of probity in public life.

It is an altogether different matter when the debate is conducted along polarised ideological lines. For then there is nothing to prevent it from becoming enmeshed in the worldwide "fight" against "totalitarian" philosophies and the "evil empire" launched by powerful Right-wing groups, based mainly in the United States, which have also developed networks in West Europe and in many countries of the Third World.

The activities of these groups have not attracted much attention in India partly because their cold war rhetoric, reinvigorated since the advent of the Reagan presidency, seemed to appeal only to a bunch of unrepentant Communist-baiters, for whom history came to a stop somewhere in the mid-fifties. It did not matter to them either that the Indian

Communists had gained both respectability and electoral success, which is unprecedented in any democracy in the world or that no one in the country seriously challenged the depth and durability of Indo-Soviet friendship. Like the hardened conservatives in the West, they failed to acknowledge these developments for what they were — a vibrant expression of political pluralism at home and of the pursuit of independent policies abroad.

In the West, however, the campaign against "totalitarianism" and the "evil empire" has been conducted with enormous resources and with a remarkable flair for public relations, notably through "think tanks" and the media. The nature and scope of the effort, ostensibly launched to counter Soviet disinformation, has been exhaustively analysed in the May issue of *Le Monde Diplomatique*. It is not possible in this short space to summarise the dozen articles that deal with the disinformation efforts of the ultra-conservative groups (some of whom are firmly entrenched in the current US administration). But attention needs to be drawn to the mechanisms through which these groups operate and to the techniques they use to influence public opinion.

"Think Tanks"

By far the most effective mechanism is the network of "think tanks" and institutes of strategic studies which conduct seminars and colloquia focussed on the theme of the struggle against Communism and indeed against any school of thought that deviates from doctrinaire conservatism. The better known ones include the World Anti-Communist League, the American Security Council, the Heritage Foundations, the Council of American Affairs, the Foreign Affairs Research Institute, the Centre for Strategic and International Studies, High Frontier, the Institute of Studies of Conflicts, the European Centre of International Documentation and the International Institute of Geo-politics.

Heavily financed by large corporations, Right-wing millionaires and the intelligence services, these bodies, which often coordinate their work, are staffed, besides academics, by former agents and military officers belonging to the intelligence and security community. They campaign for staunch support for extremist regimes (South Africa, Chile) and for counter-revolutionary and fascist groups in get-togethers of

politicians, senior bureaucrats, trade union leaders, businessmen, intellectuals, journalists, police and military officers. The reports of their discussions are widely distributed to key opinion-makers and decision-makers.

Another launching pad for the campaign is the network of religious congregations, churches and sects. The most powerful one is the "Moon empire" said to be "one of the 50 most powerful private bodies in the world." Implanted in more than a hundred countries, the "Moonies" have set up think tanks and newspaper and TV channels to carry on the campaign. Also significant are several fundamentalist religious groups, including those of Jerry Falwell and Pat Robertson, which have spread their tentacles in Latin America, Africa and Asia as well as the Opus Dei which the Jesuits describe as "God's mafia." The Opus Dei recruits followers among senior officials in the business and financial worlds and in the bureaucracy, the army and the police. It currently has branches in some 70 countries, with a total membership of 700,000. It is reported to own or control 600 newspapers, 50 radio and TV stations and 12 press agencies.

Finally, the campaign against "totalitarianism" and the "evil empire" is carried out through a number of humanitarian bodies, especially those engaged in the protection of human rights. One such body is the International Society for Human Rights whose members, a contributor to *LE Monde Diplomatique*, writes, are also members of other bodies like the World Anti-Communist League or the Association for a Free Russia.

Soviet Role

The links of these various bodies with conservative governments, on the one hand, and with the media on the other, are no longer a secret. For example, the Washington-based Heritage Foundation, has openly boasted that it is its campaign, conducted through influential newspapers, that was responsible for the Reagan administration's decision to pull out of UNESCO at the end of 1984. A recently published book *The Rise and Fall of the Bulgarian Connection* by Edward H. Herman and Frank Brodhead discusses in detail how the CIA used the *Reader's Digest*, the NBC TV network, *Newsweek* and the *New York Times* to

propagate the thesis that Sofia, acting on behalf of Moscow, was behind the attempt to kill the Pope on May 13, 1981. Similarly attempts were made by such cold warriors as Alexander Haig, Ray Kline (a former deputy director of the CIA) and Mrs Jeanne Kirkpatrick with the full complicity of leading journalists like Arnald de Borchgrave (chief editor of the Mooney daily *Washington Times*) and Mrs Claire Sterling, the Rome correspondent of the *New York Times*.

A flagrant case of disinformation, subsequently acknowledged by the US administration, was a story planted in the *Wall Street Journal* against Col Gaddafi in August 1986 which served to prepare the ground for the American raid on Tripoli and Benghazi. It quoted unnamed sources as saying that the Reagan administration had received solid evidence that the Libyan leader was "planning and preparing terrorist acts". Later, the *Journal* admitted that it had been the victim of disinformation.

All this is not to argue that the Soviet Union does not indulge in disinformation. It does. But then over the past ten years or so, the appeal of Soviet-style socialism has declined, including among Communists, the West as well as in Third World countries. Moreover, the western crusade against "totalitarianism" is carried out with a great deal of sophistication.

If our domestic debate does take on the proportions of a campaign against the Communist parties and the Soviet Union, then the dangers that these ultra-conservative forces will, sooner or later, get involved in it, cannot be ruled out. The implications of such an involvement for the nation hardly need to be spelt out, even to those who do not subscribe to the government's "destabilisation" theories.

/13046
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GANDHI EXPELS SUSPECTED DISSIDENTS FROM CONGRESS-I

Nehru, Shukla, Khan

Madras THE HINDU in English 16 Jul 87 p 1

[Text]

NEW DELHI, July 15.

Mr. Rajiv Gandhi, in his capacity as Congress (I) president, tonight expelled Mr. Arun Nehru, Mr. V. C. Shukla and Mr. Arif Mohammed Khan from the party. This was disclosed to newsmen by the Congress (I) general secretary, Mr. G. K. Moopanar. He said the expulsion orders would remain in force for an indefinite period.

Asked if any show cause notice had been issued to any of the three, Mr. Moopanar replied in the negative. He said the Congress (I) president had taken the expulsion decision in terms of the powers vested in him by the party constitution.

Mr. Arun Nehru, Mr. Shukla and Mr. Arif Mohammed Khan are all members of the Lok Sabha. Mr. Khan was a Minister of State in Mr. Gandhi's Cabinet but resigned on the issue of the Muslim women's bill last year. Mr. Nehru was dropped in October last soon after he fell ill.

Mr. V. C. Shukla was a Minister in Indira Gandhi's Cabinet and was not a member of Mr. Gandhi's Government.

There have been persistent rumours during the past several months about Mr. Shukla, Mr. Khan and Mr. Nehru trying to organise dissidents in the party.

The Congress (I) president has not taken any action against Mr. V. P. Singh.

Undeterred: The conspicuous absence of the name of Mr. V. P. Singh is perceived in political circles here as a clearcut attempt to drive a wedge between Mr. Singh and the other three dissident leaders with whom he had seemed to have cast his lot. Sources close to the expelled party members said that the expulsion would not deter them from their proposed campaign of action. In fact, they had been expecting this to happen and their strategy had taken this likelihood into account.

These sources said that after the return of Mr. V. P. Singh and Mr. Arif Mohammed Khan tomorrow evening, a press conference was likely to be held, at which all the expelled leaders and Mr. V. P. Singh would be present. Details of their strategy are likely to be spelt out at that meeting.

It was only in recent weeks that Mr. V. P. Singh seemed to have abandoned his lone crusade and joined forces with Mr. Arun Nehru and Mr. Arif Mohammed Khan to campaign jointly on a platform of issue-based politics. Today's public meeting at Hardwar in which both Mr. Singh and Mr. Arif Mohammed Khan had participated marked the beginning of this group's public campaign.

Internal Threats

Madras THE HINDU in English 16 Jul 87 p 1

[Text]

NEW DELHI, July 15.

Intended to be a preemptive strike, the expulsion of Mr. Arun Nehru, Mr. V. C. Shukla, and Mr. Arif Mohammed Khan, former members of the Union Council of Ministers, from the Congress (I) was notable for its recklessness which could land the ruling party in a bigger mess. It could well be the beginning of a process with unpredictable consequences. The Congress (I), with a four-fifths majority in the Lok Sabha, the

biggest since Independence, is suddenly exposed to powerful internal threats. It may not mean an immediate split in the party but the possibility could not be ruled out, though this was considered unthinkable some time ago.

The Congress (I) leadership chose not to touch the former Defence Minister, Mr. V. P. Singh, for two reasons—one with a view to sowing divisions in what is emerging as a ginner group of dissidents and two because of the

rising popularity of Mr. Singh which could have produced a strong backlash had he been expelled too.

But Mr. Singh's days in the Congress (I) must be numbered—the leadership will proceed against him at a time of its choosing. The former Defence Minister's letter to the Prime Minister, Mr. Rajiv Gandhi, released today (and published in full on Page 7) had already given an additional dimension to the V. P. Singh factor.

The Prime Minister appeared to have decided on expulsion some time ago but held his hand because of the Presidential election. Now that polling is over and the Congress (I) nominee Mr. R. Venkataraman is assured of a big win (the result is due to be announced tomorrow after the counting of votes) there was no danger of the expulsion causing an upset. Interest now centred on the extension of support and sympathy for the expelled leaders in the Congress (I) Parliamentary Party.

Mr. Nehru, who had had a big say in the selection of Congress (I) candidates at the time of the Lok Sabha election, was known to have the sympathy and backing of a sizeable section of MPs from Uttar Pradesh.

Similarly, dissidents in the other States too had begun to assert themselves. Whether they will choose to rally round the expelled trio would hold a key to the fate of the ruling party.

The expulsion decision had all the attributes of arbitrariness. Mr. Gandhi saw no need for

observing the formality of issuing show cause notice to the three leaders. The AICC (I) office-bearers—the nominees of Mr. Gandhi—were far from apologetic about the procedure followed for expulsion. On the other hand, they justified it on the ground of "inherent" powers of the party president.

The highhandedness of the action became apparent in the light of the care taken by Mr. Nehru and others not to get on the wrong side of the party leadership. They had taken much care to focus on issues and not on personalities and had prepared alternative formulations on important domestic and foreign policy issues. Their idea was to trigger discussions at the party forum. True, they tried to emerge as an identifiable group within the Congress (I) but there was nothing anti-party about their posture and stand so far. The ginger group had yet to acquire an identity.

This was evident from what happened today. Some among them had decided to launch a mass contact drive at a function at Hardwar. According to the initial plan, it was to be attended to by Mr. V. P. Singh, Mr. Arif Mohammed Khan, Mr. Arun Nehru and Mr. Ram Dhan, former AICC (I) general secretary but the last two decided not to go to Hardwar. Perhaps because they had sensed trouble. The mind of the leadership, however, appeared to have been made up.

Rajiv's Decision

Madras THE HINDU in English 18 Jul 87 p 7

[Text]

NEW DELHI, July 17.

The decision to expel the three Congress(I) dissenters was not preceded by any consultations at the party level and was taken by the Prime Minister and party president, Mr. Rajiv Gandhi, on his own on Wednesday evening, according to indications here. His political secretary, Mr. Makan Lal Fotedar, directly telephoned Doordarshan and AIR and announced the decision to expel the three.

Most of the party general secretaries were taken unawares by the announcement flashed on the television and the radio news bulletins. A general secretary admitted that the news came as a bolt from the blue as although the idea of expulsion had been in the air for quite a while, there had been no discussions at the AICC(I) headquarters or any other party-level consultation that day on the subject.

Live option: This was not to say that these party officials had no inkling that the expulsions would not occur. It had always been a live option even before the Presidential election although it was understood that until the party's Presidential candidate was seen safely through, no major decision would be taken on the course of action to be adopted with regard to the dissenting group. But the decision to keep Mr. V. P. Singh out of the 'hit-list' and to take action against the other three on the basis of 'anti-party activities' firmed up only on Wednesday

without the party officials having much of a chance to assess the factors for and against taking strong action at that juncture.

Why Singh was spared: Sources close to the expelled dissenters attributed the omission of Mr. Singh's name from the group to a fear that any action against him would boomerang as he was strongly identified with the anti-corruption crusade. Besides, it was based on the hope that this would cleave a wedge between him and those with whom he had recently cast his lot. Pursuing this hope, attempts had been made, all of Thursday, to persuade Mr. Singh not to issue any statement. These attempts apparently foundered as Mr. Singh then sent in his two-page letter, offering to resign from the party, these sources held.

The official view in the party rationalises the omission of Mr. Singh from those expelled with the argument that although Mr. Singh had been making high-profile appearances with the expelled dissenters, he had unlike the others, refused to endorse the attempts to scuttle the chances of the party's candidate for the Presidential election. "He refused to betray the party at that critical point," said a party official.

The clinching factor: What had precipitated the high command's action was the resignation of the Union Minister for Tourism, Mufti Mohammed Sayeed, which came the day after the Presidential election. The high command is

convinced that the timing and tone of the resignation letter revealed the hand of the dissenting group, according to this party official.

Interestingly, although the expected chorus of endorsement of the expulsion action from compliant party members has materialised, it is evident that there is a strong sense of unease even among the party faithfuls that unaccompanied by any radical structuring of the party's approach or streamlining of its organisation, the expulsions alone would not stem the tide of disaffection in the party. A diehard loyalist who emphatically welcomed the expulsions went on to say that unless the party 'adopts progressive policies' or 'takes up a programme that will really address itself to the needs of the masses,' disciplinary action would not save the party from its internal crisis.

Cheer to the dissenting group: Meanwhile, Mr. V. P. Singh's letter has brought cheer to the dissenting group which now believes that the former Defence Minister's action has put the Prime Minister in a bind. Should he not accept the offer of resignation, it would reveal him as politically weak and vulnerable. If he took the other option, it would foil the calculated attempt to leave Mr. Singh out of the list of those expelled, an attempt which had been clearly made, mindful of the political consequences.

The expelled dissenters have dropped the idea of a joint press conference and their next public appearance in unison will be at Muzafarnagar on July 26 where they will address a public meeting.

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CSO: 4600/1871

PAPERS REPORT OUTCOME OF PRESIDENTIAL ELECTION

Voting by State

New Delhi PATRIOT in English 17 Jul 87 p 6

[Text]

Opposition candidate Justice V R Krishna Iyer polled a total of 32,116 votes as against a tally of 8,584 votes by Congress nominee R Venkataraman from Andhra Pradesh the first State to be taken up when counting in the Presidential elections began at 11.30 a.m. at Parliament House on Thursday, reports PTI.

Out of a strength of 294 members in the AP Legislative Assembly, where the opposition led by Telugu Desam is in a majority, 217 MLAs voted for Mr Justice Iyer, while 58 MLAs chose Mr Venkataraman. The value of a vote of one MLA from AP is 148. Six votes were rejected as invalid.

Independent candidate Mithilesh Kumar Sinha drew a blank.

Arunachal Pradesh

In the 30-member Arunachal Assembly, 28 MLAs, with a vote value of 448 votes, polled for Mr Venkataraman while one MLA chose Mr Justice Iyer. Mr Sinha did not get any vote. One vote was declared invalid.

The value for each vote for one MLA is 16.

Assam

In the 126-member Assam Assembly, 72 MLAs (8,352 votes) voted for Mr Justice Iyer, while 25 MLAs (2,900 votes) polled Mr Venkataraman. Eight votes were rendered invalid.

Mr Sinha did not poll any vote. The vote value for each MLA in the Assam Assembly is 116.

Bihar

In the 324-member Bihar Assembly, of the 306 MLAs who took part in the poll, 227 members (39,498 votes) chose Mr Venkataraman while 73

MLAs (12,702 votes) voted for Mr Justice Iyer.

The value of each MLA's vote in Bihar is 174.

While six votes were declared invalid, independent candidate Sinha did not even get one MLA's vote in Bihar from where some MLAs proposed his name as a Presidential candidate.

Goa

In the 28-member Goa Assembly, which is participating in the Presidential elections for the first time, of the 27 MLAs who took part in the poll, 24 members (672 votes) preferred Mr Venkataraman while three MLAs (84 votes) chose Mr Justice Iyer. Mr Sinha drew a blank.

The value of each MLA's vote in Goa is 28.

Gujarat

In the 182-member Gujarat Assembly, of the 171 MLAs who took part in the poll, 151 members (12,197 votes) favoured Mr Venkataraman while 16 MLAs (2,352 votes) chose Mr Justice Iyer. Four votes were declared invalid.

The value of each MLA's vote in Gujarat is 147. Mr Sinha did not poll any vote.

Himachal Pradesh

In the 68-member Himachal Pradesh Legislative Assembly, of the 61 members who cast their votes, 60 MLAs (3,060 votes) elected Mr Venkataraman while one MLA (51 votes) chose Mr Justice Iyer.

The value of each MLA's vote in HP is 51. Mr Sinha drew a blank.

Jammu and Kashmir

In the 76-member Jammu and Kashmir Assembly, 69 MLAs took part in the poll. A total of 67 MLAs (5,561 votes) favoured Mr Venkataraman while both Mr Justice Iyer and Mr Sinha drew a blank. Two votes were declared invalid.

The value of each MLA's vote in J and K is 83.

Karnataka

In the 224-member Karnataka Assembly where the Janata Party is in a majority, 222 MLAs cast their votes.

A total of 145 MLAs (18,995 votes) favoured Mr Justice Iyer while 68 members (8,908 votes) voted for Mr Venkataraman. Mr Sinha drew a blank. Nine votes were declared invalid.

The value of each MLA's vote in Karnataka is 131.

Kerala

In the 140-member Kerala Assembly, all the members took part in the poll. While 79 MLAs (12,008 votes) preferred Mr Justice Iyer, 60 members (9,120 votes) chose Mr Venkataraman. One vote was declared invalid. Mr Sinha drew a blank.

The value of each MLA's vote in Kerala is 152.

Manipur

In the 60-member Manipur Assembly, all the MLAs took part in the polls.

While 57 of them (1,026 votes) preferred Mr Venkataraman, two MLAs voted for Mr Justice Iyer (36 votes).

One MLA's ballot was declared invalid.

The value of each MLA's vote in Manipur is 18.

Meghalaya

In the 60-member Meghalaya Assembly, 59 MLAs cast their votes. While 40 of them (680 votes) preferred Mr Venkataraman, 19 MLAs (323 votes) voted for Mr Justice Iyer. One vote was declared invalid.

The value of each MLA's vote in Meghalaya is 17.

Mizoram

In Mizoram Assembly, a total of 40 (320 votes) votes were polled. Congress nominee R Venkataraman polled 39 (312 votes) votes while Justice Krishna Iyer got one (8 votes) vote.

The value for each vote for one MLA is 8.

Nagaland

The Nagaland Assembly a total of 59 MLAs voted in the poll.

Mr Venkataraman polled 42 (378 votes) votes while 17 MLAs (153) preferred Justice Iyer. Mr Sinha drew a blank.

The value for each vote for one MLA in the State is 9.

Orissa

In Orissa Assembly a total of 145 MLAs cast their choice.

Mr Venkataraman polled 118 (17,582) votes while Justice Iyer got 26 (3,874) votes. One vote was invalid.

The value for each vote for one MLA in the State is 145.

Punjab

In the suspended Punjab Assembly, of a total strength of 117 MLAs, 102 had cast their votes.

While Mr Justice Iyer had the support of 63 MLAs (7,308), Mr Venkataraman was favoured by 34 members (3,944).

Five votes were declared invalid.

The value of each MLA's vote in Punjab is 116.

Madhya Pradesh

In the 320-member Madhya Pradesh Assembly, of the 260 members who took part in the polls, 250 MLAs (32,500 votes) favoured Mr Venkataraman while five (650) chose Mr Justice Iyer. Mr Sinha got his first votes (260 votes) when two MLAs voted for him. Three votes were declared invalid.

The value of each MLA's vote in MP is 130.

Maharashtra

In the 288-member Maharashtra Assembly, 269 MLAs took part in the polls. A total of 225 MLAs (39,375 votes) preferred Mr Venkataraman while Mr Justice Iyer got the support of 42 MLAs (7,350 votes).

While one MLA preferred Mr Sinha, another MLA's vote was declared invalid.

The value of each MLA's vote in Maharashtra is 175.

Sikkim

All the members in the 32-member Sikkim Assembly took part in the polls.

While Mr Venkataraman had the support of 31 MLAs (217 votes), Mr Justice Iyer drew a blank. One vote was declared invalid.

The value of each MLA's vote in Sikkim is seven.

Rajasthan

In the 20-member Rajasthan Assembly, 160 MLA's cast their votes.

While 129 members (16,641 votes) preferred Mr Venkataraman, 30 MLAs (3,870 votes) voted for Mr Justice Iyer.

One vote was declared invalid.

The value of each MLA's vote in Rajasthan is 129.

Tamilnadu

In the 234-member Tamilnadu Assembly, 223 MLA's had cast their votes.

A total of 199 MLAs (35,024 votes) favoured Mr Venkataraman and 21 members (3,696 votes) chose Mr Justice Iyer. While there were two invalid votes, one MLA voted for independent candidate, Sinha.

The value of each MLA's vote in Tamilnadu is 176.

Tripura

In the 60-member Tripura Assembly where the CPM is in a majority, 59 MLA's cast their votes. Of them 39 (1,014 votes) voted for Mr Justice Iyer and 19 MLAs (494 votes) for Mr Venkataraman.

One MLA's ballot was declared invalid.

The value of each MLA's vote in Tripura is 26.

Uttar Pradesh

In the Uttar Pradesh Assembly, which has a strength of 425 MLAs, 406 of them cast their votes.

Mr Venkataraman had the support

of 283 MLAs (58,864 votes) and Mr Justice Iyer was preferred by 118 members (24,544 votes). Mr Sinha polled 208 votes through the support of one MLA. Four MLA's ballots were declared invalid.

The value of each MLA's vote in UP is 208.

West Bengal

In the 294-member West Bengal Assembly where the CPM is in a majority, 291 MLA's cast their votes.

While Mr Justice Iyer had the support of 250 MLAs (37,750 votes), Mr Venkataraman was preferred by 41 members (6,191 votes).

The value of each MLA's vote in West Bengal is 151.

Haryana

In the 90-member Haryana Assembly, 71 members had cast their votes.

While 60 MLA's (6,720 votes) voted for Mr Justice Iyer, five MLA's (560 votes) preferred Mr Venkataraman. Six votes were invalid.

The value of each MLA's vote in Haryana is 112.

Parliament

The result of polling in Parliament which was declared last, 607 members had voted for Mr R Venkataraman, 139 for Justice Iyer and two for Mr Mithilesh Kumar Sinha.

Eight votes were invalid.

755 MPs out of 776 had cast their votes in the election.

Mr Subhash C Kashyap, returning officer formally announced the election of Mr Venkataraman.

Venkataraman's 'Massive Victory'

Bombay THE TIMES OF INDIA in English 17 Jul 87 p 1

[Text]

NEW DELHI, July 16.

THE vice-president, Mr R. Venkataraman, was today elected the ninth President of the republic, having been backed by as many as 18 of the 25 states and over two-thirds of the total number of electors. He would be sworn in on July 25.

Mr Venkataraman's massive victory, which Congressmen claimed "as a display of party solidarity with its leadership," was in no doubt any time and the point of interest lay only in cross-voting, if any. By and large there was little cross-voting, though surprisingly invalid votes were quite a few for

an electoral college that comprised 755 MPs and state legislators.

As expected, the majority in the state legislatures of Andhra Pradesh, Assam, Haryana, Karnataka, Kerala, Punjab, West Bengal and Tripura, voted for the opposition candidate, Mr V. R. Krishna Iyer.

In the states where the value of the ballot varied, Mr Venkataraman polled 2,280 votes against the 1,300 secured by Mr Iyer. As for the third candidate, Mr Mithilesh Kumar, his sponsors in Bihar did not vote for him. Still he got five votes, including one from Tamil Nadu.

As for MPs, the value of each of whose vote is reckoned as 702, no less

than 606 voted for Mr Venkataraman and 139 for Mr Iyer. There were at least two MPs who deemed Mr Mithilesh Kumar a worthier candidate and voted for him.

Sixty-three of the votes cast in the legislatures were invalid. So were eight ballots cast in Parliament.

The 77-year-old Mr Venkataraman becomes the ninth president counting Dr Rajendra Prasad's election twice. He moves to Rashtrapati Bhavan in a climax to a career in public life spanning four decades — as an activist in the freedom struggle, a trade union leader, a successful administrator, a minister in his home state of Tamil Nadu and at the Centre and the vice-president of India.

The following is the final position in the election:

Total votes: 4,690 (10,37,828)
Mr Venkataraman: 2,886 (740,148)
Mr Krishna Iyer: 1,439 (281,550)
Mr Mithilesh Kumar Sinha 7 (2,223)
Invalid votes: 71 (13,907)

The voting pattern was along the expected lines. Mr Venkataraman in fact secured more votes than the Congress and its allies in many states had with them. Before the election, he was expected to get 704,506 votes from party members and allies, while Mr Krishna Iyer's campaign managers had anticipated about 290,000 votes, excluding the 40,000 votes held by the Bharatiya Janata Party and some other parties which had abstained from voting.

The final tally showed that Mr Venkataraman polled about 36,000 votes more than expected, while Mr Krishna Iyer's total was about 9,000 votes less.

The President, the Prime Minister and the principal opposition leaders were among the first to congratulate Mr Venkataraman. Mr Zail Singh in a message to Mr Venkataraman said: "please accept my congratulations on your election to the office of the President of India. I wish you all success."

Mr Gandhi declared that his party was "intact" and that there was never any doubt about it. "Our party has

"been intact right through and has been strong and united," he told newsmen after congratulating the President-elect for his spectacular victory.

Mr Justice Iyer, conceding his defeat even before the election results were officially announced, sent his letter of felicitations to Mr Venkataraman from Cochin.

Meanwhile, at the Central Hall of Parliament, the Prime Minister, Mr Rajiv Gandhi, was applauded by Congress MPs and greeted with garlands and laddoos the moment the final results of the presidential poll were flashed on the large screen by a video projector.

Mr Gandhi had a special word of thanks for Mr P. V. Narasimha Rao, senior Central minister, who handled the presidential poll campaign for the party.

Pointing out that Mr Venkataraman had polled more votes than the strength of the Congress party, he said that this proved that a sizable chunk of votes had come from the opposition. Asked if this cross-voting was a good trend, he said that the opposition members had voted according to their conscience.

To another question if "training camps" would be held for legislators in view of the fairly large number of invalid votes polled, Mr Gandhi replied jovially: "They were from the opposition voters."

The Prime Minister then drove straight to the residence of Mr Venkataraman and to the delight of press photographers, offered a laddoo to the President elect.

When one cameraman requested Mr Gandhi to offer a laddoo again to enable him to click a good picture, the Prime Minister quipped: "If he were to eat one laddoo for each one of you, imagine what will happen to him."

The speaker of the Lok Sabha, Mr Balram Jakhar, the deputy chairman of the Rajya Sabha, Mrs Pratibha Patil, Mr P. V. Narasimha Rao, followed Mr Gandhi to greet the president-elect. After that, there was a virtual queue of Central ministers, office-bearers and MPs to congratulate Mr Venkataraman.

/13046

CSO: 4600/1870

FORMER MINISTER RESIGNS FROM PARTY, PARLIAMENT

Bombay THE TIMES OF INDIA in English 17 Jul 87 pp 1, 9

[Text]

NEW DELHI, July 16.

MR V. P. Singh, former defence minister, today resigned from the Congress and also from the Rajya Sabha, protesting against what he described as the "undemocratic and near-feudal style" of expelling his three colleagues from the party last night.

In a letter addressed to the Congress president, Mr Rajiv Gandhi, Mr. Singh said that the message of the cryptic news of the expulsion of Mr Arif Mohammed Khan, Mr Arun Nehru and Mr V. C. Shukla was loud and clear that any Congressman can be "politically hanged" without giving any specific reason by a nominated and non-elected party set-up.

Asking who had wronged the party that must be punished, he said the people and Congress workers had genuine doubts about "some of us" having foreign assets.

He said, "Frankly, the people and many Congress workers do have genuine doubts about the foreign assets of some of us and the party is paying a heavy political price for these misgivings."

The real answer was to clear the misgivings, Mr Singh added. Expulsions would not clear the cloud.

Pointing out that some party members had been asking for his resignation daily, Mr Singh said he did not understand why a person who had implemented the party and government policy in the drive against economic offenders and defence agents should be punished.

He then offered the "supreme political sacrifice" of resigning from the party, "if throwing me out will help the party." The letter in that case should be treated as his resignation. It would save the leadership the embarrassment of expelling him.

He said as a natural corollary he was attaching my resignation from the Rajya Sabha which may kindly be forwarded to the chairman, Rajya Sabha."

He said he would continue to fly the tricolour and pursue the spirit of Congress policies. "This right no one can take away from me."

He however, appealed to Congressmen not to leave the party or cause any rift in it. "I have devoted about two decades to the party and have served it with whatever talent and energy I had. It is a sad day for me."

ENTER KHAN

The dramatic entry of Mr Arif Khan into the Central Hall of Parliament this afternoon attracted a great deal of attention. With rapid strides, he approached a bench at the other end of the hall. Newsmen made a beeline for him, as he had copies of a terse statement issued by Mr Arun Nehru, and one by himself. He fell short of copies and had to go into the adjacent photocopying room later.

At this stage, he was ruffled by a watch and ward staffer who requested him not to distribute statements in the Central Hall, as this was against the rules. Unfortunately, some ministers and MPs, who are convenors of state committees of the members of Parliament, had been distributing statements since this morning.

Mr Nehru said in his statement: "Action initiated by the Congress president is most unfortunate. If the attempt is to intimidate the Congress MPs, MLAs and workers from expressing their opinion on major issues which affect the very survival of the party, then it cannot and will not succeed."

Mr Khan said in his statement: "The arbitrary decision of the Congress president to expel us from the party is unconstitutional and outrageous. It is also against democratic norms and decency. The charge of anti-party activity is without any basis whatsoever."

"While we were urging the leadership to act against the evils of communalism and corruption, they have chosen to act against us. But this action cannot dampen our enthusiasm and resolve to continue our fight against communal forces, economic offenders and their political patrons."

Mr Khan told newsmen that no meeting of the disciplinary action committee had been held or rules and procedures of the party constitution followed in expelling them. Reiterating full faith in the Congress ideology, movement, programmes and policies, he stated that there was no intention of forming any new party.

Asked how many more Congress MPs would join them, he said that they did not want to indulge in the numbers game. The stress was on issues, on conducting Congress affairs in the established style of the party and not like "yuppies".

Meanwhile, Mr Ram Dhan and Mr Satya Pal Malik, in a joint statement, have dubbed the action of the party leadership as "nothing short of harakiri."

They said people were expecting action against economic offenders and their political associates, but, deplorably, action had been taken in total disregard of all norms and legalities against those who were raising their voices against economic offenders and all such other evil forces in order to improve the image of the party and consolidate its base.

The following is the text of Mr V. P. Singh's letter:

I read the cryptic news in the press today that Mr Arif Mohammed Khan, Mr Arun Nehru and Mr V. C. Shukla have been expelled from the party. The news may be cryptic but the message is loud and clear that now any Congressman can be politically hanged without what to say of a hearing but even without being given any specific reason by a nominated and ultimately a non-elected party set-up.

Nothing could be more undemocratic and nearer to a feudal style. Even Godse was not hanged on the spot. Are Congressmen now to receive their political death sentences through

the press, without being given a chance to explain their position before fellow-Congressmen? If these members of Parliament had indulged in anti-party activity, did the leadership advise or warn them at the appropriate time, or did the leadership come to know everything only after the presidential poll? The Congress leadership owes the responsibility also to guide Congress members. Did it discharge the same?

Anyone who has wronged the party must be punished. But who has really wronged the party is the million-dollar question.

FOREIGN ASSETS

Frankly, the people and many Congress workers do have genuine doubts about the foreign assets of some of us and the party is paying a heavy political price for these misgivings. The real answer is to clear the same. Expulsions will not clear the cloud.

Some members of the party have been asking for my expulsion almost on a daily basis. I do not understand why a person who has implemented party and government policy in the drive against economic offenders and defence agents should be punished. However, if throwing me out of the party will help the party, I am ready to offer this supreme political sacrifice also and co-operate on that count, too, by submitting my resignation from the party. In that case, this letter may be treated as my resignation. It will also save the leadership from the embarrassment of expelling me. As a natural corollary I am also attaching my resignation from the Rajya Sabha, which may kindly be forwarded to the chairman, Rajya Sabha.

However, I will continue to fly the tricolour and pursue the spirit of Congress policies. This right no one can take away from me.

I will also appeal to all Congressmen not to leave the party or cause any rift. I have devoted about two decades to the party and have served it with whatever talent and energy I had. It is a sad day for me. It has been my home. I wish it well.

/13046
CSO: 4600/1870

IRAN

SOVIETS REPORTEDLY IN FAVOR OF ENDING SYRIAN-IRAQI CONFLICT

46400171a London KEYHAN in Persian 20 Jul 87 p 16

[London KEYHAN weekly in Persian; founder and publisher Dr Mesbahzadeh]

[Text] Last week Soviet officials once again stressed that they will make the utmost effort to end the Iran-Iraq war.

The current Soviet policy in the Middle East revolves around that government's active participation in any Arab-Israeli peace talks. To this end the Soviets believe that the Iran-Iraq war must first be ended, then a reconciliation must be brought about between Iraq and Syria. In this way there will be a united and organized Arab front facing Israel.

Already the Soviets have done things to establish contact of sorts between Iraq and Syria, and they have pressured Hafiz Assad for this purpose. They have also pressured Assad to come to terms with Yasser Arafat, the leader of the Palestine Liberation Organization.

Because the Soviet Union is Syria's only major source for weapons, they are in a position to require that nation's leaders to improve relations with Iraq and Yasser Arafat.

Some news sources say that the Soviets are now withholding some military equipment from Syria, thereby preventing Syria from increasing its combat capability for war with Israel.

Some time ago, in the face of Syrian objections, the Soviet Union opened the door to talks with Israel, reopening its consulate in Tel Aviv after 20 years of inactivity by sending seven seasoned diplomats to that country. The Soviets have thus taken the first important step towards normalizing their relations with Israel. The Soviets have kept pace with the United States in expanding relations with Syria, to the extent that Syria has issued no effective propaganda of any kind against American naval vessels in the Persian Gulf.

Informed political sources in Beirut believe that the two superpowers have implicitly—and perhaps even explicitly—reached agreements concerning the future of the Middle East in order to ease the crisis in Arab-Israeli relations.

Such an agreement between the superpowers—whether implicit or explicit—appears completely necessary within the framework of their efforts to achieve a universal disarmament and an end to the cold war. It has now become clear that the current Soviet leader Mikhail Gorbachev is giving

priority to improving the Soviet domestic situation, and for this purpose he is fully prepared to reach comprehensive agreements with America. The Middle East must be seen as one of these areas of agreement.

In this context, both the Soviet Union and the United States have concluded that there is no place in their regional policies for the Khomeyni republic's adventurism, whether in Lebanon, Iraq, or other areas.

In any case, both superpowers wish to end the Arab-Israeli conflict. The principal key for solving this problem is Syria, which has heretofore shown no flexibility regarding this issue. Now Syria is under pressure from the Soviets to display this flexibility.

From the Islamic republic's point of view these developments are very disturbing, for Tehran officials count heavily on differences between America and the Soviet Union as well as those among Arabs, especially between Syria and Iraq, but now the Tehran regime's officials are becoming more isolated every day.

The Khomeyni regime's leaders are even gradually losing their supporters in Israel, because Shimon Peres, Israel's current foreign minister and leader of the Labor Party, who had led the policy of secret assistance to the Islamic republic, has now changed his policy and is working for an agreement on a Middle East peace conference.

The Khomeyni regime's only ally in the Middle East will probably be the extremist elements in Israel's Likud party, who are working hard to upset the Middle East peace conference and prevent the superpowers from coming together.

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CSO: 4640/0171

SECURITY COUNCIL RESOLUTION'S SHORTCOMINGS DISCUSSED

46400171b London KEYHAN in Persian 30 Jul 87 p 16

[London KEYHAN weekly in Persian; founder and publisher Dr Mesbahzadeh]

[Text] The United Nations Security Council resolution on ending the Iran-Iraq war is written in such a way that its writers must either be far away from the reality of the area or they have deliberately written a weak document.

The resolution's major weakness is not, as the preachers in Iran say, its failure to name Iraq as the aggressor, because a powerful, skilled and worthy regime in Tehran could itself ultimately solve the problem of Iraq's aggression and persuade the world to recognize Iraq as the aggressor.

The important issue, however, is its call for a return of forces on both sides to the internationally recognized boundaries. This is an issue that must be resolved right now and be included in the resolution. Iraq must accept the internationally recognized boundaries on land, sea and rivers which were agreed to in detail by both sides in the Algerian accord of 1975.

If this matter is not mentioned in the resolution, then the notion of the necessity of a return of military forces on both sides to internationally recognized boundaries is vague, and there is no basis for implementing the resolution.

Unfortunately the ruling clergy, either in an act of treason or due to their stupidity and incompetence, have not raised this primary objection in their numerous speeches and sermons rejecting the resolution. We have discussed this subject time and again in KEYHAN, however.

Last week some experts in international law told KEYHAN that the the necessity of a return of military forces on both sides to internationally recognized boundaries as stated in the Security Council resolution implicitly refers to the borders legally in force under international law the day before the war started. Consequently, if this necessity is not accepted by either of the two sides, it means that the borders in existence before the war started are legal and official.

One of the same experts said that even now, when Iraq has officially accepted the resolution, in reality the official standing of the borders established in the 1975 Algeria accord has been confirmed again by the Iraqi government. Of course Iraq has made the implementation of the resolution conditional on Iran's acceptance and implementation of it, but this condition applies only to the resolution's implementation, while legally Iraq has again accepted the 1975 accord.

In any case, as we have written repeatedly, the international community must make the utmost effort to meet Iran's lawful demands in its resolutions. One of these demands is that Iraq again accept the borders between the two countries as set in the 1975 accord, and the Arab community must officially support this, especially the nations on the shores of the Persian Gulf.

Of course another issue is that the Arabs must refrain from provocation and stop referring to Iranian lands and waters by fabricated names.

These issues have not been raised by the Khomeyni regime, but it slyly employs them in its propaganda to excite the Iranians.

If these national demands of the Iranians are supported and accepted, the Khomeyni regime will be further isolated domestically as well—at least as far as the continuation of the war is concerned—and the preliminaries will be in place for ending the war.

In the last analysis, it is the Iranian nation who will ultimately impose peace on Khomeyni, of course an honorable and lasting peace.

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CSO: 4640/0171

IRI MAKES TRADE ADJUSTMENTS WITH TURKEY**Meat Import Stopped**

46400170a London KEYHAN in Persian 30 Jul 87 p 8

[London KEYHAN weekly in Persian; founder and publisher Dr Mesbahzadeh]

[Text] In the wake of a darkening in economic and political relations between the Islamic republic and Turkey, last week Turkish officials announced that the Islamic republic has stopped purchasing meat produced in that country.

On the basis of reports in the Turkish press, some time ago the chief of the Erzerum chamber of commerce and industry gave a press conference in which he told reporters: The Islamic republic has stopped purchasing meat from Turkey. When asked the reason for this by a reporter, he said: Apparently officials in the Islamic republic's ministry of commerce are complaining that the import price of mutton produced in Turkey is high, and that the Islamic republic can get meat much more cheaply from other meat-producing countries. He added: Turkish meat is sold at 1,800 Turkish liras per kilogram, but the Islamic republic wants to buy this meat on the condition that the price per kilogram not exceed 1,200 liras.

The chief of the Erzerum chamber of commerce and industry called on the Turkish government to take effective steps to make it possible for Turkey to compete with other countries selling meat on international markets in order to expand exports.

Economic observers believe that the Islamic republic's decision not to buy mutton from Turkey is a sign of a rift in commercial relations between the two countries. These observers have said that in view of the fact that buying meat from Turkey is economical for the Islamic republic, both because of the good quality of this country's livestock products and because of its close proximity and the savings to the Islamic republic in shipping costs, and they believe that Iran's claim that it is not buying Turkish meat because of the high price is really no more than a pretext, and that Tehran commerce officials intend to gradually reduce their commercial relations with Turkey in this way.

The Islamic republic's decision not to buy Turkish meat comes at a time when the ink has not yet dried on an agreement to expand the volume of trade between the two countries, signed recently by the Islamic republic's Prime Minister Mir Hoseyn Musavi and Turkey's Prime Minister Turgut Ozal. The prime ministers of the two countries promised in a meeting a few weeks ago to increase the volume of trade to two billion dollars.

Economic experts likewise revealed that the Islamic republic's claim that it is interested in expanding economic exchanges with Muslim nations is only a slogan aimed at furthering political aims. As soon as Tehran's leaders realized that Turkey was severely resisting the Islamic republic's political agitation and that they were not going to allow the Tehran regime to export its Islamic revolution to that religiously unprejudiced country through various means, they gradually reduced the extent of their political and economic relations with Turkey.

The Islamic republic buys large quantities of the meat it needs annually from Australia, New Zealand, Argentina, Southern Ireland and several other countries. Currently, due to the shortage of meat in Iran, the price of this basic food is constantly on the increase. During the last two weeks, a kilogram of low-quality mutton on the unregulated market was going for 250 to 450 tomans.

Oil Export Increased

46400170a London KEYHAN in Persian 30 Jul 87 p 8

[London KEYHAN weekly in Persian; founder and publisher Dr Mesbahzadeh]

[Text] In the first five months of the current year, Turkey has bought 2.573 million tons of crude oil from the Islamic republic and 2.551 million tons from Iraq.

The purchase of more than 2.5 million tons of crude oil from the Islamic republic in the first five months of 1987 puts the Islamic republic at the top of the list of exporters of crude oil to Turkey.

Recently a semi-official Anatolian reporter quoted official Turkish statistics, reporting that in the first five months of 1987 Turkey spent \$1.06 billion in the purchase of 7.736 million tons of crude oil.

Economic observers believe that the reason Turkey has increased its oil imports from the Islamic republic is the agreement by that country's officials with Tehran concerning the price of oil.

On the other hand, since the Islamic republic has made increased Turkish oil imports from Iran one of the basic conditions for its buying Turkish industrial products, consumer goods and food, unlike last year, Ankara has increased the volume of its oil purchases from the Islamic republic in the last few months.

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CSO: 46400170

GOVERNMENT SILENT REGARDING IRI FOREIGN INVESTMENTS

46400169a London KEYHAN in Persian 30 Jul 87 p 8

[London KEYHAN weekly in Persian; founder and publisher Dr Mesbahzadeh]

[Text] The fate of millions of dollars in investments made abroad by the Iranian government before the advent of the Islamic republic remains obscure. So far not a single employee of the Islamic republic—even those with positions in banking and economics—has given the Iranian nation the slightest information about this. Most Iranians within and outside the country are unaware of the extent and nature of this issue.

Since no kind of income or expenditure of these funds—whose true owner is the Iranian nation—has been brought before any legal authority (even the Majlis), the only news of this to reach Iranians has come by way of the foreign media, and most of that is unknown to Iranians inside the country.

Although it is very difficult and sometimes impractical to collect the sources and documents pertaining to this and other matters—and it must be done outside the country—an effort has been made, in order to familiarize our compatriots with examples of such investments, and to the extent possible, to mention 15 instances of this. It is necessary to say at the same time that two months ago economic sources announced that the Islamic republic had sold its shares in the multinational Bob Cox corporation, amounting to 30 percent of this company's assets, for 95 million Liras. According to the same newspapers, this company's profitability has accelerated remarkably in recent years, and the regime has been able to make an enormous profit by refraining from selling.

Economic analysts have consequently given the regime's pronounced need for foreign exchange and funds to meet its war costs as the reason for this hasty transaction—which actually amounts to burning the nation's assets.

Some time ago conflicting reports concerning the sale of the Islamic republic's holdings in the Krupp Company were published in the press, and with the secrecy the regime has shown in this area, it is not unlikely that in this case also some of our nation's wealth has been squandered.

Based on existing documents and statistics, after 1973, as oil revenues in Iran gradually increased and the price of oil increased from three dollars to \$11 per barrel, the governments of that time scrambled to begin investing in the world's great installations and industries in order to establish savings from this national wealth for future generations. The most important of these investments are listed below:

- 1 - The purchase of 25.01 percent of the shares of the West German Krupp Company for 700 million marks. Krupp's enormous factories, because of the nature of their activities in metals and other industries, have special importance and prestige, not only in the Federal Republic of Germany, but internationally as well, and the annual net profit of this complex ranks it with Germany's ten largest and most profitable companies.
- 2 - Investment of 293 million marks in the Federal republic's Deutsche-Bank. In terms of its size, value and prestige, this bank ranks immediately after the Chase Manhattan Bank of New York, and the German mark is even stronger and more stable in many cases than the American dollar.
- 3 - Investment in the construction of a petroleum refinery in South Korea in the amount of \$17 million. Clearly, in the more than ten years since this investment was made, Iran's assets have increased tens of times over the amount invested in this refinery.
- 4 - Investment in the Madras oil refinery in India.
- 5 - Investment in the oil refinery in South Africa.
- 6 - Investment in the establishment of a spinning factory in Egypt.
- 7 - Investment in the establishment of a weaving factory in Pakistan.
- 8 - The purchase of \$125 million in shares in the Occidental Petroleum Corporation.
- 9 - Investment in the extraction and exploration of oil in the North Sea of England. In this regard, through efforts of its own the National Iranian Oil Company was ultimately able persuade the British Ministry of Industries and Trade to allow it to participate in the exploration for oil and gas in the vicinity of the English continental shelf. On this basis, in 1972 the English Ministry of Industries and Trade signed a contract with the National Iranian Oil Company on a 50-50 basis to operate in two areas near this country's northern continental shelf. After Iran's success it established a company called the Iran Oil Company Ltd. in London.
- 10 - The purchase of ten percent of the shares of Orodif (production of spent uranium) of the French Atomic Energy Organization.
- 11 - Investment in Korodif (production of enriched uranium) of France.
- 12 - The signing of a contract with Denmark for the extraction and exploration of oil on the continental shelf of West Greenland.
- 13 - The purchase of 25.04 percent of the shares of the West German steel company for 232 million marks.
- 14 - The establishment of the Iran-Krupp investment company in Geneva with 10 million franks capital.
- 15 - The establishment of two companies in Brazil with Krupp's collaboration with 200 million marks capital.

It appears that other examples of this kind of investment are in the files of the National Iranian Oil Company and in the nation's other economic and financial institutions, from whose profits the Islamic republic quietly benefits, knowing their extent and value.

IRAN

SOUTH ASIA

ARGENTINA ARMS SALES CIRCUMSTANCES DETAILED

46400168a London KEYHAN in Persian 30 Jul 87 p 14

[London KEYHAN weekly in Persian; founder and publisher Dr Mesbahzadeh]

[Text] By Khan Isala—KEYHAN's correspondent in Argentina—A weekly magazine called INFORMADO REPUBLICA (a public reporter) recently republished a confidential report it had obtained. It is a true report, and it shows how agents purchasing arms for the Islamic republic cheated Argentine arms manufacturers out of 800,000 dollars. This is the report:

In late 1983 a group of people affiliated with a company called Spartanik began negotiating with army officials administering the Argentine arms industry, acting as middlemen buying arms for the Islamic republic. The Spartanik company is managed by a Swiss man named Jean-Pierre Dulans and two retired Argentine army officers. They were the people who negotiated with army officials as arms brokers.

This group's first transaction—which failed—was the purchase of two light modern rocket-launching ships made in Germany and Britain costing \$500 million, paid in cash by the Islamic republic. One ship was the Hercules, the other the Santo-Trinidad. However, just as the ships were to leave for Iran, the American government found about it and delivered an ultimatum that the ships would be sunk in international waters. Because of this ultimatum, the Argentine government was forced to cancel the transaction.

Then this company bought some weapons of unspecified type from Argentina and ordered two medium-range Razit radiar devices costing \$784,542. According to the contract, the devices were to be delivered to the Islamic republic's armed forces within 60 days for testing, and if they performed satisfactorily several more devices would be ordered for infantry forces. As payment for the order, the brokers gave the army officials a check for \$784,542 on the Foreign Bank of Panama. However, when they were ready to send the items purchased to Tehran they encountered many difficulties, for in Tehran the officials of the Islamic republic were not willing to confirm the purchase of 12 crates containing these materials, nor was the Argentine embassy. As the result of this development, the company's president Jean-Pierre Dulans personally went to Tehran, and after much running around managed to get authorization to ship them to Tehran. However, after the shipment reached Tehran, Mr Dulans' contact with his colleagues in Buenos Aires was completely cut off. At this point the Argentine minister of arms manufacturing industries became concerned and decided to cash the \$784,542 check. However, since the signature of the main account holder was not on the check, and since the current account of the company's endorsers had been closed, officials of the Foreign Bank of Panama declined to cash the check. Three years of investigation and conflict with Tehran officials did no good. Finally the

minister of arms manufacturing industries sent the check and his petition to the Buenos Aires court and asked for the prosecution and punishment of the offenders. It had become apparent that the director of the Spartanik company had drawn a check on the account that had been closed, but he had gotten all of the money for the shipment in cash from the Islamic republic.

After this incident the Argentine Ministry of Arms Manufacturing Industries contacted Islamic republic officials directly and arrangements were made for transactions between the two countries to be carried out without a broker as of this year. The first direct transaction was one for \$31 million involving some Roland missiles and other advanced rockets, which involved no sales or shipping commission to third parties.

The reason for Argentina's intense interest in selling arms to Iran—even at low prices—is that Iran did not renew an important contract that had existed previously between the two countries (a grain purchase contract). While in the years 1985 and 1986 the Islamic republic had purchased 1.5 million tons of wheat, and was Argentina's largest grain customer after the Soviet Union, the Argentines hope that by selling arms they will bring the Islamic republic's officials to the point of renewing the lucrative grain contract.

At the same time, another weekly magazine called ECONOMISTA published information some time ago about cooperation between Argentina and the Islamic republic on an atomic energy project, which you published at the time, but some points have come to hand which make the subject more interesting. According to the contract which has been signed, the Argentine government, with the cooperation of four foreign companies and the Iran Atomic Energy Commission, is building a large reactor in Tehran with a 1,293-megawatt capacity. The ECONOMISTA also disclosed that by the end of 1989 the Argentines will have exported about three billion dollars in arms and munitions to the Islamic republic. In this case, with its 57-billion-dollar foreign debt, Argentina has now regained its best customer.

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CSO: 46400168

BRIEFS

UNIVERSITY APPLICANTS DISPATCHED TO GULF—Those accepted and rejected in applications for universities and centers of higher learning must join a newly-created Persian Gulf defense group during the university summer recess, and prepare themselves for a possible encounter with America. In advertisements printed under the control of the Islamic republic, Majlis Speaker Rafsanjani recommended to young people taking national university entrance examinations that they sign up for revolutionary guard units in order to take part in possible battles at the Persian Gulf. They were promised that the time they spend in these forces will be counted as part of their university school year and as a part of their period of military service. Both youths accepted in the national examinations and those denied entrance to the universities must report to revolutionary guard centers by the end of the month of Tir [22 July] for dispatch to the front. The text of the revolutionary guard announcement does not appear to require university applicants to sign up to be sent to the Persian Gulf, but its tone is such that Islamic republic officials are putting young Iranians in the position that they see no alternative but to sign up to be sent to the front. [Text] [46400168c London KEYHAN in Persian 30 Jul 87 p 2] [London KEYHAN weekly in Persian; founder and publisher Dr Mesbahzadeh] 9310

INVESTMENT IN PRODUCTIVE UNITS—During the next two years the Islamic republic's ministry of industries plans to spend about 900 million to one billion dollars to buy industrial tools and equipment to implement 236 industrial production projects. The total cost of implementing these projects is estimated at about four billion dollars. Some time ago Gholamreza Shafe'i, the Islamic republic's minister of industries, announced the above and said that special priority for the projects to create industrial units will go to the construction of a paper pulp production plant, a cheese packaging plant, a plant to produce tires of various kinds for vehicles and agricultural machinery, plants to produce plastic, steel, baby food and medical equipment, and units to produce chemical substances. Economic observers believe that the implementation of small industrial projects, which were aimed both increasing production and creating employment, has been suspended due to foreign exchange shortages caused by the drop in revenues from oil sales. Apparently, the increase in foreign exchange earnings, along with the implementation of policies to obtain money and capital through the country's banks has increased the likelihood of construction of the planned industrial units. [Text] [46400169b London KEYHAN in Persian 30 Jul 87 p 8] [London KEYHAN in Persian; founder and publisher Dr Mesbahzadeh] 9310

NON-OIL EXPORTS—After efforts to increase non-petroleum exports and procure the foreign exchange needed to import food and other domestic needs, in the first quarter of the current year the Islamic republic has succeeded in exporting goods, traditional items and raw materials valued at \$218 million. A comparison of this figure with the Islamic republic's non-petroleum exports in the same period last year shows a 20 percent increase. The exported items in the first quarter of the current year include pistachios, hand-woven carpets and rugs, various hides, mined raw

materials and stones, and several other kinds of traditional goods such as dates, medicinal herbs, wool, and wax. According to reports from reliable sources, in the first quarter of the current year the Islamic republic exported more pistachios than any other non-petroleum product. A buyer of this product in London told KEYHAN's correspondent: The European pistachio market is saturated with Iranian pistachios because of exports in excess of demand, and for this reason the price of this item has dropped sharply. [Text] [46400168b London KEYHAN in Persian 30 Jul 87 p 8] [London KEYHAN weekly in Persian; founder and publisher Dr Mesbahzadeh] 9310

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